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CHS = Charleston International Airport

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DTW = Detroit Metropolitan Airport

ELP = El Paso International Airport

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MWAA= Metropolitan Washington Airports Authority

OAK = Oakland International Airport

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2.1
Financial Terms

2.1.1 Rent Structures

OAK

2.1 Financial Terms

2.1.1 Rent Structures

Excerpt from OAK Concessions RFP:

17. MINIMUM GUARANTEE AND PERCENTAGE RENT

A. Overview

The rent structure in the Space Use Permit provides for:

- *A Minimum Annual Guarantee (.MAG.) calculated on a square foot basis for the Interim Term facilities and the Primary Term facilities*
- *Each Concession Unit (even those that share the same trade name) will be treated as a stand-alone business for the purposes of calculating the Minimum Guarantee and percentage rent.*
- *Stepped percentage rents applicable to each layer of sales (but not retroactive to the first dollar of sales).*
- *Additional percentage rent payable on non-branded food and beverage units, as described below, excluding DBE sub-concessionaires.*
- *The MAG to be recalculated and reset on a per-space basis based on 85% of prior year payments (MAG or percentage rents) but not less than the prior year MAG.*

The Port will not consider any alternative MAG or percentage rent structure from any Proposer.

B. Percentage Rents

The Concessionaire will pay either the MAG or percentage rent, whichever is greater. The percentage rent will be calculated using the table below for each concession unit. The total percentage rent due shall be the sum of the individual rent calculations for each concession unit, which shall be compared with the MAG to determine the amount due in each month. The MAG shall be payable monthly in an amount equal to 1/12 of the MAG.

Percentage rents are shown on Table 5 Percentage Rent, below.

2.1.1 Rent Structures

OAK

Table 5 Percentage Rent

Category	$0 to $1,000,000	$1,000,001 to $2,000,000	Greater than $2,000,000
Casual dining/bar	10%	12%	14%
Quick-serve	12%	14%	16%
Fast food	10%	12%	14%
Specialty coffee	14%	16%	18%
Café	12%	14%	16%
Newsstand - Category 1	12%	12%	12%
Newsstand - Category 2	16%	16%	16%

Non-Branded Sales. *The Port is strongly encouraging Proposers to incorporate established local, regional or national food and beverage brands in their Proposals. Brands have proven to be popular and successful with passengers in the U.S. and around the world and offer proven menus and operating systems and additional quality control requirements external to the concessionaire. A "brand" is defined as an established trade name which is currently doing business offering a standardized menu and trade dress in at least three (3) locations in the 9 county San Francisco Bay Area (a "local brand") or at least 15 locations in California (a "regional" brand) or at least 25 locations in the U.S (a "national brand"). A "location" means a unit serving and regularly accessible to the general public, excluding airports, sports venues, and theme parks or other gated facilities. Brands may be operated as owned businesses, licensees or franchisees.*

Use of brands is also encouraged for retail units.

Non-branded food and beverage units will be required to pay an additional three percent (3%) of sales as additional percentage rent. However, this provision shall not apply 1) to qualified ACDBEs, 2) to any bar/cocktail lounge that does not serve food; and, 3) to retail merchandise units including newsstands.

In the event of doubt as to whether or not a brand meets the criteria described above, a Proposer may seek clarification prior to submitting a Proposal by submitting a request in writing to the Port's Concession Manager by the final deadline for requests for clarification as described in Part I, Paragraph 19, below, and include such determination in its Proposal.

The Airport will allow a temporary reduction in the MAG should either of the following occur.

1. Construction Impacts

It is possible that during the term of this Lease, construction may occur in the immediate vicinity of the Assigned Premises that could impact Concessionaire's sales and the sales of other concessionaires located in the immediate vicinity of Concessionaire. The Airport, therefore, agrees that if there is construction activity occurring directly adjacent to Concessionaire's

2.1.1 Rent Structures

OAK

Assigned Premises, that Concessionaire's MAG may be reduced as follows: if Concessionaire and fifty percent (50%) or more of the other tenants located within a one hundred (100) foot radius of the Assigned Premises experience an overall drop in sales of five percent (5%) or more, with the drop to be measured quarterly, based on a calendar year, measuring sales performance during the same quarter of the previous year, and there is no corresponding drop in exposed enplanements during that measured period of time, then Concessionaire shall be entitled to a reduction in its MAG for that quarter in an amount proportionate to the average percentage drop in Concessionaire's own actual drop in sales.

If in the same quarter in which sales decline, exposed enplanements drop by ten percent (10%) or more, as provided in the Section 2, then Section 2 will apply in lieu of this Section if a greater MAG reduction will result.

2. Declining Enplanements

If the number of enplanements at the Airport during any Lease Year declines by ten percent (10%) or more from the prior Lease Year, beginning with the Lease Year _____-_____, then the MAG will be proportionately reduced for that Lease Year. In addition, such a reduction may be implemented at any time, in the Airport's sole discretion, if the Airport's projection of exposed enplanements indicates an anticipated decrease of ten percent (10%) or more from the previous Lease Year. If the Airport grants a MAG reduction prior to the end of any given Lease Year, but by the end of that Lease Year enplanement numbers have not, in fact, dropped by ten percent (10%) or more for that Lease Year, then Concessionaire will be required to reimburse the Airport the difference between the reduced MAG paid and the actual MAG owed, absent a drop in enplanements, within thirty (30) days notice from the Airport that such payment is due.

DFW

Excerpt from DFW Draft Concession Lease Agreement:

ARTICLE 4: RENT, FEES, REPORTING, RECORDS, AND AUDITS
Section 4.01 Gross Receipts
"GROSS RECEIPTS", sometimes called Gross Revenues and/or Gross Sales, shall include all monies paid or payable to Concessionaire for sales made and for services rendered at or from the Premises, regardless of when or where the order therefor is received, and at the option of the Board, outside the Premises, if the order therefor is received at the Premises and any other revenues of any type arising out of or in connection with Concessionaire's operations at the Premises including, but not limited to, those operations of Concessionaire's agents or sublessees, arising from any

sales made or services rendered at or from the Premises, provided, however, that Gross Receipts shall not include:

1. *Any taxes imposed by law which are separately stated to and paid by a customer and directly payable to the taxing authority by Concessionaire.*
2. *Cash and credit card refunds to customers for merchandise returned.*
3. *Amounts and credits received in settlement of claims for loss of, or damage to merchandise.*
4. *Insurance proceeds.*
5. *Bulk sales as defined by the U.C.C.*
6. *Tax rebates.*
7. *Inter-store transfers.*
8. *Employee meals and discounts.*

2.1.1 Rent Structures

DFW

Section 4.02 Rent

Effective on the Commencement Date and continuing thereafter, Concessionaire shall pay Percentage Rent to the Board as set forth in ***Article 1*** *based on Concessionaire's Gross Receipts, subject to a Minimum Annual Guarantee (MAG) as set forth in* ***Article 1****, and as further provided below:*

A. Minimum Annual Guarantee (MAG). One-twelfth of the MAG shall be due in advance on the first day of each month without setoff, deduction, prior notice or demand. Each payment not received by the 5th day of the month shall be late, and Late Payment Charges shall accrue as set forth in the Schedule of Charges.

1. *Effective [Click* ***HERE*** *and Type Effective Date], the MAG shall be adjusted to eighty-five percent (85%) of the prior fiscal year's (October – September) actual rents (MAG and % Rent) paid by the Concessionaire to the Board; however, in no event shall the MAG be less than the prior fiscal year (October – September).*
2. *The MAG shall be adjusted at the beginning of every calendar year during the Term of the Lease after the first twelve-month period of operation, based on the Consumer Price Index (CPI) published in December for the month of November by the Bureau of Labor Statistics of the United States Department of Labor, for all Urban Consumers-All Items (CPI – U, base period 1982-4 = 100). Notwithstanding the CPI, the MAG shall never be decreased and shall not increase more than 5% in any single year.*
3. *If the Commencement Date occurs other than on the*

2.1.1 Rent Structures

DFW

first day of a calendar month or if the Expiration Date occurs other than on the last day of a calendar month, then the MAG shall be prorated for said month.

B. Percentage Rent.

*1. In addition to the MAG, Concessionaire shall pay percentage rent in the amounts noted in **Article 1**, but only to the extent that percentage rent exceeds the monthly installment of MAG paid in advance for said month or portion thereof. Percentage rent for each month is due and payable by the 20th day of each month following the month of accrual. Payment will be considered late if not received by the 25th day of the same month.*

2. The Board shall have the right to change the Percentage Rent to weekly collection upon establishment of a system of automated debit of accounts by electronic transfer through the Federal wire-transfer system.

Section 4.03 Schedule of Charges

*Concessionaire shall pay to the Board all charges currently described as "Concessionaire Charges" in the Airport's Schedule of Charges (unless specifically exempted from any such Concessionaire Charge in **Article 1**). The methods by which the Concessionaire Charges are to be calculated are stated in the Schedule of Charges. Concessionaire Charges shall be due in advance on the first day of each month without setoff, deduction, prior notice or demand. Each payment not received by the 5th day of the month shall be late, and Late Payment Charges shall accrue as set forth in the Schedule of Charges. The Schedule of Charges, as it may be amended from time to time in the Board's sole discretion, constitutes a part of this Lease.*

Concessionaire shall pay Late Payment and Returned Check Charges on all late payments and returned checks. Late Payment Charges are calculated according to the formula set forth in the Airport's Schedule of Charges. Late Payment and Returned Check Charges shall be payable upon presentation of an invoice. In the event of a dispute as to the amount to be paid, the Board shall accept the sum tendered without prejudice and, if a deficiency is determined to exist, the Late Payment Charge shall apply only to the deficiency. Concessionaire acknowledges that the formula for Late Payment Charges is fair and reasonable. In no event, however, shall the Late Payment Charges, to the extent they are considered to be interest under applicable law, exceed the maximum lawful rate of interest.

The Board and Concessionaire are knowledgeable and experienced in commercial transactions and agree that the provisions of this Lease for determining charges, amounts and additional rent payable by Concessionaire (including, without limitation, payments of charges under the Schedule of Charges, as amended from time to time) are commercially reasonable and valid even though such methods may not state a precise

mathematical formula for determining such charges. The Board and Concessionaire further acknowledge that the Board is obligated by federal law to charge rates for all services and use of Airport property that are at least fully compensatory of the costs incurred by the Board. ACCORDINGLY, CONCESSIONAIRE VOLUNTARILY AND KNOWINGLY WAIVES ALL RIGHTS AND BENEFITS OF CONCESSIONAIRE UNDER SECTION 93.012 OF THE TEXAS PROPERTY CODE, AS SUCH SECTION NOW EXISTS OR AS MAY BE HEREAFTER AMENDED OR SUCCEEDED.

2.1.1 Rent Structures

DFW

Concessionaire acknowledges that the Board is a governmental authority as well as a landlord, and that many charges in the Airport's Schedule of Charges are assessed to the public at large pursuant to the Board's governmental police powers, including without limitation Parking Charges, Public Safety, Medical & Service Charges, Development Charges, and Airport Identification/Access Badging & Fingerprinting Charges. Concessionaire acknowledges that being an Airport tenant does not exempt Concessionaire or Concessionaire's employees, agents or invitees from any charges in the Schedule of Charges, even if the charges are not specifically enumerated in the body of this Lease.

Section 4.04 Space Acquisition Costs
*If there is a Space Acquisition Cost stated in **Article 1** to reimburse the Board for an airline's or a prior tenant's release of the Premises, Concessionaire will pay said sum upon execution of this Lease.*

Section 4.05 Space Infrastructure Costs
*If there is a Space Infrastructure Cost stated in **Article 1** to reimburse the Board for certain systems constructed or installed at the Board's expense, Concessionaire will pay said sum upon execution of this Lease.*

Section 4.06 Manner of Payment
The Board may require all payments of Percentage Rent, the MAG, and all Concessionaire Charges recurring monthly to be made by automatic withdrawal from Concessionaire's bank account, or such other method as designated in writing by the Board. Concessionaire shall provide the Finance Department with such information and authorizations as are necessary to facilitate such electronic payments.

Section 4.07 Sales Reports, Record Keeping, End of Year Adjustment
Concessionaire shall file with the Airport Revenue Management Department and the Airport Finance Department a weekly sales report stating Gross Receipts by and from each location comprising the Premises. The weekly sales reports shall be submitted through the Online Sales Submission application (CSA) and shall be filed not later than each Tuesday at Noon for the activity of the immediate prior week.

Sales submitted into this application will be totaled at the conclusion of each month to determine the amount of percentage rent due where applicable. Concessionaire must calculate the amounts due and submit payment no later than the 20th of each month following the month of accrual. As the

CSA process is enhanced, the Concessionaire's payment due date may be adjusted accordingly.

Concessionaire shall also file a quarterly income statement and balance sheet for the DFW Airport location(s), in whatever form is directed by the Board.

2.1.1 Rent Structures

The board reserves the right to require such additional information be reported as deemed necessary by the Board and in a format as developed by the Board from time-to-time. Concessionaire shall pay a fee of $50.00 per day per report if Concessionaire fails or refuses to file any sales report due hereunder within twenty-four (24) hours of it required filing.

DFW

All sales reports shall be filed using the technology and procedures designated by the Board. If the Board instructs Concessionaire to file the reports using future technology, the Board shall not be obligated to furnish Concessionaire with the equipment or systems necessary to do so.

Concessionaire shall keep full and accurate books and records showing all of its Gross Receipts, and the Board shall have the right, through its representatives, and at all reasonable times, to inspect the books and records of Concessionaire, any Sublessees, or other participants in the operations authorized in this Lease. Concessionaire hereby agrees that all such books and records will be made available to the Board at the Premises, or at the Board's offices, upon five (5) days advance notice during the term of this Lease, and for two years thereafter.

Within ninety (90) days after the end of each Airport Board's fiscal year (October 1 - September 30) during the Term of this Lease, Concessionaire shall provide a written statement to the Board, from an independent Certified Public Accountant or authorized Corporate Officer, stating the amounts of Concessionaire's Gross Receipts and the amounts paid to the Board as the total of MAG and Percentage Rents for said fiscal year of part thereof, and stating that in the Accountant's or Corporate Officer's opinion the Gross Receipts reported and the rental payments made by Concessionaire to the Board during the preceding fiscal year were made in accordance with the terms of this Lease. If Concessionaire shall have paid to the Board an amount greater than Concessionaire is required to pay as Percentage Rent for such fiscal year under the terms hereof, Concessionaire shall be entitled to a credit against Concessionaire's next payment of MAG for the amount of such overpayment; or if Concessionaire shall have paid an amount less than the Percentage Rent required to be paid hereunder, then Concessionaire shall pay such difference to the Board in the next monthly payment.

2.1.2 Definition and Calculation of MAG

2.1.3 Percentage Rents

***Definition abstracted from DFW Concession Agreement template*:**

"GROSS RECEIPTS", sometimes called Gross Revenues and/or Gross Sales, shall include all monies paid or payable to Concessionaire for sales made and for services rendered at or from the Premises, regardless of when or where the order therefore is received, and at the option of the Board, outside the Premises, if the order therefore is received at the Premises and any other revenues of any type arising out of or in connection with Concessionaire's operations at the Premises including, but not limited to, those operations of Concessionaire's agents or sublessees, arising from any sales made or services rendered at or from the Premises, provided, however, that Gross Receipts shall not include:

1) *Any taxes imposed by law which are separately stated to and paid by a customer and directly payable to the taxing authority by Concessionaire.*
2) *Cash and credit card refunds to customers for merchandise returned.*
3) *Amounts and credits received in settlement of claims for loss of, or damage to merchandise.*
4) *Insurance proceeds.*
5) *Bulk sales as defined by the U.C.C.*
6) *Tax rebates.*
7) *Inter-store transfers.*
8) *Employee meals and discounts.*

2.1.4. Term

***Excerpt from DFW Concession Agreement template*:**

Section 3.01 Commencement Date and Term

A. The Commencement Date, and Concessionaire's obligation to open for business and to commence payment of Rent (including the Minimum Annual Guarantee), shall be the date stated in Article 1.

2.1.4 Term

DFW

B. The Term shall be for the amount of time stated in Article 1, unless sooner terminated as hereinafter provided.

C. All terms of this Lease governing Concessionaire's use of the Premises, insurance and indemnities, Concessionaire Charges pursuant to the Schedule of Charges, and all Lease terms other than Rent and opening for business, shall commence when Concessionaire takes possession of the Premises, regardless of when Concessionaire is obligated to begin paying Rent and to open for business.

Section 3.02 Extension Option

A. If there is an Extension Option stated in Article 1, Concessionaire shall be entitled to extend the Term of this Lease as so stated, subject to the limitations below. All terms and conditions of this Lease shall apply to the extended Term of the Lease, unless otherwise noted in this Lease. Concessionaire must give notice of intent to exercise the Extension Option no earlier than nine (9) months and no later than six (6) months prior to the expiration of the then current Term. Concessionaire must not be in default under this Lease in any material respect. Concessionaire shall have no right to extend the Term except as expressly set forth in this Lease.

B. The Extension Option shall be null and void if Concessionaire fails to maintain the quality objective in subsection (1) below, or fails to maintain at least 2 of the 3 sales objectives in subsections (2) through (4) below, during the final two (2) years of the Term:

1. Concessionaire's cumulative quality experience ranking must remain at least in the top 75% of all companies evaluated at DFW for the prior twelve months, if evaluations are conducted;

2. Concessionaire's sales must increase at or above the percentage growth in enplanements over each prior 12-month period, or decrease at or below the decrease in enplanements over each prior 12-month period;

3. Concessionaire's sales must increase at or above the percentage increase of other comparable concepts or categories over each prior 12-

month period, or decrease at or below the decrease of other comparable concepts or categories over each 12-month period; and

4. Concessionaire's average location sales per square foot for each 12-month period must be at least in the top 75% of location sales for that category.

5. It is entirely within the Board's sole discretion to determine when and how quality evaluations are conducted. It is entirely within the Board's sole discretion to determine the scope of enplanements to be used for comparison, and it is entirely within the Board's sole discretion to define comparable concepts or categories; provided, however, that such standards shall be applied uniformly as to all similarly situated concessionaires.

2.1.4 Term

DFW

2.1.5 Solicitation

2.1.5 Solicitation

2.1.6 Improvements Provided by Airport

2.1.6 Improvements Provided by Airport

2.1.7 Improvements Provided by Concessionaire

2.1.7 Improvements Provided by Concessionaire

PVD

Excerpt from PVD Agreement:

"Concessionaire shall expend a minimum of ½ of 1 percent (0.005) of the prior Year's total Gross Revenues, commencing in the fourth Year of the Term of this Agreement and occurring annually, for refurbishment of the Assigned Premises. Concessionaire shall submit to RIAC on January 1 of each of these Years of the Term, a schedule of refurbishments and improvements to be completed by Concessionaire in the Assigned Premises for the subsequent Year. Such refurbishment shall include painting and repair attributable to ordinary wear and tear, and replacement of furnishings and fixtures. Such refurbishment shall be required to be spent on those areas visible to and utilized by the customer (i.e.; "selling area"). Concessionaire, if applicable, shall provide documentation of such annual refurbishment and improvement expenditure to RIAC within thirty (30) calendar days of the earlier of (i) completion of such refurbishment or (ii) the end of the Lease Year in which

2.1.7 Improvements Provided by Concessionaire

PVD

refurbishments were made. In addition to the required Annual Refurbishment, Concessionaire shall refurbish the Assigned Premises promptly upon the observation of any damage or deterioration of the original materials/workmanship or as reasonably required by the President & CEO or his designee. Failure to complete any required refurbishment within the time specified by the President & CEO or his designee shall be in default under this Agreement, and in addition to all other remedies available under this Agreement, Concessionaire shall pay a penalty of One Hundred and No/100 ($100.00) per day until such required refurbishment is completed. Concessionaire agrees and acknowledges that the failure to refurbish is detrimental to the image of the Facilities and results in lost percentage rent, the exact monetary loss and injury being extremely difficult to determine. Therefore, the parties agree that the above-described amount represents a fair and reasonable estimate of the monetary losses and damages incurred by RIAC."

2.1.8 Monthly Reporting

MSP

2.1.8 Monthly Reporting

Excerpt from MSP Concessions General Terms and Conditions

A. Monthly Reports

On the fifteenth (15th) day of the month following the Rent Start Date and on the fifteenth (15th) day of each month thereafter through and including the month following termination of this Agreement ("Payment Day") during the Term, including any holdover period, Operator shall submit to MAC, electronically at MAC's option, through its Director of Finance, a statement ("Sales Statement"), in a form satisfactory to MAC, showing the Gross Sales and other sales-related information for each and every Operator-operated and Subtenant-operated Concessions for the preceding calendar month and the cumulative Gross Sales from all such Concessions, from the date of commencement of the Agreement Year for which the report is made through the last day of the preceding month, accompanied by payment. MAC reserves the right to prescribe and revise the format of the Sales Statements at any time.

The foregoing rental payments by Operator shall be subject to readjustment within ninety (90) days after the end of each Agreement

Year and after the approval of the MAC Finance Department, so that at the end of each and every such year, Operator shall have paid to MAC the amount of rental for that year based upon the applicable annual rate. At the end of each year during the Term of this Agreement and any holdover period, Operator shall provide to MAC an annual report pursuant to subsection C. below, stating that the rental fee and any other amounts paid pursuant to this Agreement were made in accordance with the terms of this Agreement. Such statement shall also contain a list of the Gross Sales, by month as shown on the books and records of Operator and Operator's Subtenants and which were used by Operator to compute the payments made to MAC during the period covered by such statement. Any overpayments by Operator shall be credited to its next rental payment (or refunded if applicable to the last year of the Term), and any underpayments shall be paid to MAC within said ninety (90) day period. Operator shall comply with all requirements under this Section or Operator will incur liquidated damages as referenced in Section XXIII. of this Agreement.

2.1.8 Monthly Reporting

MSP

2.19 Audit

2.1.9 Audit

Excerpt from DFW Draft Concession Lease Agreement:

Section 4.08 Audit
The Board shall have the right until three (3) years after the expiration or termination of this Lease, through its representatives, and at all reasonable times, to review all books, records, and agreements of Concessionaire (and where applicable, all individuals or other business entities who are party to this Lease) requested by the Board's representatives to substantiate the accuracy of gross receipts and other information reported to the Board. This includes, but is not limited to, general ledgers, sales journals, daily or periodic summary reports, inventory and purchasing records, cash register or computer terminal tapes, bank deposit slips, bank statements, tax reports filed with state or federal agencies, discount or rebate agreements, records of refunds and joint venture or partnership agreements. Such books, receipts and records shall be kept for a period of three (3) years after the close of each calendar year.

Audits will be conducted at Dallas/Fort Worth International Airport. However, if first agreed to by the Vice President of Audit Services, the audit

2.1.9 Audit

DFW

can be conducted off the Airport, in which event Concessionaire shall reimburse the Board for reasonable transportation, food and lodging costs associated with the audit. Concessionaire shall allow the Board's representatives to photocopy any records the representatives determine to be necessary to conduct and support their audit. Concessionaire shall provide the Board's representatives with retrievals of computer based record or transactions the representatives determine to be necessary to conduct the audit. Concessionaire shall not charge the Board for reasonable use of Concessionaire's photocopy machine while conducting the audit, nor for any cost of retrieving, downloading to diskette or other storage media and/or printing any records or transactions stored in magnetic, optical microform or other media. Concessionaire shall provide all records and retrievals requested, within seven calendar days. If such records are not received within 14 calendar days, the Board may assess liquidated damages in the amount of $100 per day for each record, retrieval not received. Such damages may be assessed beginning on the 15th day following the date the request was made.

If, as a result of the audit, it is established that Concessionaire underpaid fees related to Gross Receipts by three percent (3%) or more for the period audited, the entire expense of the audit shall be borne by Concessionaire. Any additional payments due shall forthwith be paid by Concessionaire to the Board with interest thereon at the same rate specified for late fees, from the date the subject rent or fees became due. If it is established that Concessionaire underpaid fees related to gross receipts by ten percent (10%) or more for the period audited, the Board shall be entitled to terminate this Lease for cause upon sixty (60) days' written notice, regardless of whether the deficiency is paid.

2.2 Service and Operations Related

2.2 Service and Operations Related

2.2.1 Exclusivity of Concession Rights Granted

2.2.1 Exclusivity of Concession Rights Granted

2.2.2 Hours of Operation

2.2.2 Hours of Operation

ELP

Excerpt from ELP Agreement:

Notwithstanding the provisions of Article Z, Concessionaire specifically understands and agrees that, in the event of a conflict between Concessionaire and any other concessionaire or lessee in the Terminal as to specific items to be sold or services to be provided by respective concessionaire or lessee, the Director shall have the final decision as to which product or service may be sold

or provided by each concessionaire or lessee and Concessionaire agrees to be bound by such decision.

Excerpt from CHS Agreement:

2.2.2 Hours of Operation

CHS

In the event of a dispute between Concessionaire and any other Airport tenant as to the services to be offered or products to be sold, Concessionaire shall meet and confer with the Director or his designated representative and, if any parties to said dispute continue to disagree with the recommendation of Director, the Director shall determine the services to be offered or products to be sold by each, and Concessionaire shall be bound by said determination

2.2.3 Personnel and On-Site Manager Requirements

MSP

2.2.3 Personnel and On-Site Manager Requirements

Excerpt from MSP Concessions General Terms and Conditions

B. Personnel

1. Manager

The management, maintenance, and operation of all Concessions units on the Leased Premises shall be under the supervision and direction of an active, qualified, competent, and experienced manager, who shall at all times be authorized to represent and act for Operator. Operator shall cause such manager to be assigned a duty station or office in the Leased Premises at which he or she shall be available during normal business hours, and Operator will at all times during the absence of such manager, assign or cause to be assigned a qualified subordinate to assume and be directly responsible for the carrying out of the manager's supervising duties. Operator will provide to MAC and update as necessary, contact information for Operator's managers to allow MAC to contact them in emergencies or during non-business hours.

a. Adequate and Competent Staff

Operator shall ensure that its Subtenants employ a sufficient number of properly trained personnel to manage and operate the Leased Premises at its maximum capacity and efficiency on such days and during such

2.2.3 Personnel and On-Site Manager Requirements

MSP

hours as MAC may reasonably specify. Sufficient number is a number, which consistently provides customers with no unreasonable delay or inconvenience as determined by MAC through the development of standards, in moving through point of sale or selecting products or service. All personnel shall be clean, neat in appearance and attired in proper uniform, if required. Operator shall ensure that all employees of Operator and Operator's Subtenants conform to personal hygiene and food handling requirements established by MAC rules and regulations and/or by federal, state, or local laws or regulations, whichever is most stringent. Operator must ensure all employees can adequately communicate with customers and are professional and courteous in interactions with customers. Operator shall comply with all requirements under this Section or Operator will incur liquidated damages as referenced in Section XXIII of this Agreement.

b. English Language

Operator and Operator's Subtenants understand and agree that its operation at the Airport necessitates contact with the public, both in the course of normal business operations and in rendering public services such as making reasonable change, giving directions, and providing general assistance to the public. Employees in positions that involve contact with the public must be capable of speaking and understanding the English language at a high level consistent with the effective and efficient performance of the duties of the position. Operator shall comply with all requirements under this Section or Operator will incur liquidated damages as referenced in Section XXIII of this Agreement.

c. MAC Objections

MAC shall have the right to object to the demeanor, conduct, and appearance of any employee of Operator or Operator's Subtenants or those doing business with them, subject to applicable law. Operator shall take all steps reasonably necessary to remedy the cause of the objection. After written notice from MAC, Operator shall ensure the immediate removal from the Leased Premises or discipline in accordance with

2.2.3 Personnel and On-Site Manager Requirements

MSP

Operator's or Subtenant's employee discipline policy for any employee or other representative of Operator or any of its Subtenants who participates in improper or illegal acts on the Airport, who violates Airport rules and regulations or any provision of the Agreement, or whose continued presence on the Airport is, in the opinion of MAC, deemed not to be in the best interests of MAC. However, in certain situations, MAC shall have the right to request Operator to take immediate action via a telephone call. Operator shall not allow any of its or its Subtenants' agents, servants, contractors, or employees to conduct business in a loud, noisy, boisterous, offensive, or objectionable manner, and shall confine their business on the Airport to that of operating the Concession unless otherwise approved in writing by MAC.

d. MAC Not Liable for Employment Issues

Operator's Agreement with MAC is not one of agency by Operator for MAC, but one with Operator engaged independently in the business of managing the Leased Premises on its own behalf. All employment arrangements are, therefore, solely Operator's and its Subtenant's concern, and MAC shall have no liability with respect thereto. Operator and Operator's Subtenants shall defend, indemnify, and hold harmless, MAC from any claims or causes of action of whatever nature that may be brought by present or former employees, present or former independent contractors, present or former labor unions, including any labor unions seeking to represent the Subtenant's employees, or applicants with Operator or any of its Subtenants.

2.2.4 Street Pricing

RDU

2.2.4 Street Pricing

Excerpt from RDU Street Pricing Policy :

Concession Opportunity

The Authority has adopted a "Street Pricing" policy for concessions at RDU, which applies to fees in all packages in this RFP. Street Pricing means that Airport prices are to be the same as the prices offered at comparable or similar outlets in the Raleigh-Durham Metropolitan Area.

Raleigh-Durham Airport Authority
Concession Pricing Policy &
Monitoring System

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1 Definitions

For the purpose of the Raleigh-Durham Airport Authority Concession Pricing Policy and Monitoring System, the terms listed below are defined as follows:

Airport – Raleigh-Durham International Airport (RDU).

Authority – The Raleigh-Durham Airport Authority.

Business Days - Monday through Friday, excluding Saturdays, Sundays, and legal holidays.

Concessionaire – The party that has entered into a signed agreement with the Authority to provide goods or services at the Airport.

Department – The Authority's Business Development & Management Department.

Lease – The terminal concession agreement signed and made between the Concessionaire and the Authority that allows for the provision of goods or services at the Airport.

Manager – A well-trained, qualified, and experienced general manager selected and appointed by Concessionaire, subject to Authority approval, who shall have constant and direct supervision of the operation and management of the premises.

Raleigh-Durham Metropolitan Area –Durham, Orange, and Wake Counties.

2 Preamble

The Raleigh-Durham Airport Authority (the Authority), a public body that operates the Raleigh-Durham International Airport (the "Airport") in Wake County, North Carolina, has established this policy for concession pricing at the Airport.

3 Policy

It is the policy of the Authority to require uniform pricing by all terminal food and retail concessions at the Airport. The objectives of this Concession Pricing Policy and Monitoring System (the "Policy"), and (commonly referred to as "Street Pricing") are to:

1) To ensure that customers experience a highest level of customer service and to enhance customer satisfaction when shopping or dining at the Airport;
2) To ensure that customers pay reasonable prices when shopping or dining at the Airport; and
3) To ensure that the prices charged for food and beverages, products and services are comparable to similar non-Airport retail stores and restaurants in the Raleigh-Durham Metropolitan Area.

For the purpose of this Policy, "reasonable prices" shall mean prices charged for food and beverages, products and services at Airport shops and restaurants that are no more than 10%

higher than the average prices charged by comparable similar non-Airport retail vendors within the Raleigh-Durham Metropolitan Area that offer similar type and quality products.

3.1 Scope

This Policy applies to all commercial passenger terminal food and retail concession locations at the Airport. All future food, services and/or retail concession leases entered into by the Authority shall mandate compliance with this Policy. In addition, all companies responding to solicitation for future concession opportunities will be required to state compliance with this policy in their proposals. In enforcing the Policy, the Authority shall not, directly or through contractual or other arrangements, use criteria or methods of enforcement that have the effect of defeating or substantially impairing accomplishment of the objectives of the Policy with respect to any individual or concessionaire.

3.2 Policy Administration

The Authority has given the responsibility of enforcing this Policy to the Business Development and Management Department (the "Department"). The Department can be reached by mail at P.O. Box 80001, RDU Airport, North Carolina, 27623 or by phone at (919) 840-2100. In administering the Policy, the Department is responsible for:

1) Disseminating Policy information and updates to all current and proposing Concessionaires at the Airport,
2) Monitoring compliance with the Policy, and
3) Enforcing compliance with the Policy.

3.3 Policy Components

The Policy consists of the following components:

1) Initial Price Review;
2) Semi-annual Reports;
3) Price adjustments; and
4) Periodic Price Reviews.

Initial Price Review. Each Concessionaire must set and substantiate initial product prices to be charged at each concession unit in accordance with the Policy. Initial pricing documentation must be submitted no later than 60 days in advance of a location opening. The Authority will review and approve or deny proposed prices within 60 days of submission. All product prices must be approved prior to a location opening. Failure to complete the Initial Price Review will cause a location opening to be delayed.

Semi-Annual Reports. Each Concessionaire must submit a Semi-Annual Report giving evidence of compliance with this Policy. The Semi-Annual Report must be submitted to the Department. It must contain a price comparison for each concession unit operated by the Concessionaire and/or subtenants in accordance with the price comparison instructions outlined in the Monitoring System.

Price Adjustments. Concessionaires may request price adjustments semi-annually in conjunction with the submittal of the Semi-Annual Report. Any price adjustments shall be effective within 10 days of approval by the Authority for retail locations and 30 days for food

and beverage locations. Revised prices must be simultaneously updated on merchandise, menu boards, shelf-labels and in all register and/or point of sales systems. All price adjustment requests shall be substantiated by the Concessionaire based on increases or decreases in prices at comparable facilities as outlined in this Policy. Merchandise prices may not be changed without written approval from the Authority is received.

Periodic Price Reviews. The Authority may conduct periodic price reviews at its discretion at any time. These unannounced pricing checks may be conducted by Authority staff or other representatives including a shopping service.

4 Monitoring System

The Authority has established this monitoring system to insure uniform application of this Policy.

4.1 Comparable Facilities

Each Concessionaire shall submit for Authority approval a list of three similar and/or comparable retail/restaurant outlets per Airport concession unit. These retail/restaurant outlets must be located in the Raleigh-Durham Metropolitan Area. These vendors shall be used as the basis for all price comparisons and pricing policy compliance. Concessionaires must submit an Initial Comparable Facility Form for each unit, which will be incorporated into the Lease. Concessionaires may not use different retail outlets for price comparisons without the written approval of the Authority.

4.1.1 Comparable Facilities Standards

For the purposes of this Policy, a Comparable Facility is a restaurant/retail unit approved by the Authority and comparable to the Airport concession unit in the scope of services/products offered for sell, service/product mix and quantity, and level of customer service. Retail outlets that are partially or fully protected from competition such as attractions, entertainment venues (parks, resort, theaters, stadiums and arenas) and hotels or convention centers are excluded as Comparable Facilities. Airport units may not be used as Comparable Facilities. Museum stores may be approved for use as Comparable Facilities upon review by the Authority. For a duty free shop, Comparable Facilities are duty free shops operating at Atlanta Jackson Hartsfield International Airport, Charlotte/Douglas International Airport, Miami International Airport and Philadelphia International Airport. Concession concepts that have a published and widely disseminated catalog of merchandise can also use the catalog prices for comparison purposes.

4.1.2 Comparable Facilities by Categories

A Concessionaire may submit for approval Comparable Facilities by category of merchandise (i.e. retail food & beverage, gifts & souvenirs, travel, breakfast items) to be sold in a store when Concessionaire is unable to identify a single retail outlet that carries the full complement of merchandise carried in the Airport store. Each category of facilities proposed must comply with the standards in this Policy. For example, Comparable Facilities for a news and gift shop may be selected in two categories. A set of three facilities may be proposed for the comparison of newsstand items (i.e. journals, bottled beverages, health & beauty items, etc.). A second set of three facilities may be proposed for the comparison of gift items (i.e. souvenirs, key chains, toys or jewelry).

In the event that Concessionaire is unable to identify three Comparable Facilities for a unit, Concessionaire may submit to the Authority for approval two Comparable Facilities. When this circumstance occurs, the Concessionaire will be required to complete the comparison merchandise pricing review calculations counting the lowest prices included in the survey twice in the three-price average used to establish the approved price.

4.1.3 Comparable Facilities Changes

Concessionaire must request a change to the Initial Comparable Facilities included in the Lease for each unit if any of the following occur:

1) One of the Initial Comparable Facilities goes out of business,
2) One of the Initial Comparable Facilities relocates outside of the Raleigh-Durham Metropolitan Area, or
3) Products sold by one of the Initial Comparable Facilities are no longer a good match to the products sold at the airport unit.

Concessionaire must submit a Comparable Facility Change Request Form to the Department for approval no later than 30 days prior to the Semi-Annual Report submittal date. The Authority will review the requested changes and respond to the Concessionaire within 10 business days of receipt. The Authority will not review any Comparable Facility Change Request Form submitted less than 30 days prior to the Semi-Annual Report submittal date.

4.2 General Pricing Guidelines

4.2.1 Rounding

The proposed price for merchandise may be rounded up or down from the average price at the Comparable Facility to the nearest 9 cents. Rounding is not required. The actual average price must be reflected on all pricing reports separately from the proposed rounded up or down price. When the average price for merchandise is equal to or higher than 5 cents, the proposed price may be rounded up to the nearest 9 cents. When the average price for merchandise is lower than 5 cents, the proposed price may be rounded down to the nearest 9 cents.

In the case of National Brands restricting price endings in units of 5, the rounding should be 5 if the average price is equal to or higher than .03. When the average price is lower than .03, the proposed price should be rounded down to the nearest 0.

4.2.2 No Collusion

Concessionaire may not collaborate with another or group of other Concessionaires to a) establish a common or agreed upon set of Comparable Facilities or b) establish prices or ranges of prices for individual or categories of merchandise. Such actions are a violation of this Policy and may subject the responsible Concessionaires to sanctions including Lease termination as described herein and in the Lease.

4.2.3 Streamlined Pricing

In order to streamline the initial pricing survey process, a Concessionaire may price certain products uniformly in all of the units it operates. Streamlined pricing means that merchandise in these categories may be priced in groups by size (regular or large size) and/or quality (regular or premium). The product categories that are eligible for streamlined pricing include: adult beverages, bottled beverages, candies, chips, fountain soft drinks, gums and snack club.

Examples: Concessionaire may propose a price for small or large candy bar regardless of brand. In this example, a regular size Payless, Snickers or 3 Musketeer candy bar would have the same price in each of Concessionaire's newsstands. Likewise, a Concessionaire may propose a price for small bags (3½ oz) or large bags (7oz) of chips. In this example, all chips in the small or large size would have the same price in each of Concessionaire's newsstands. If adult beverages were being streamline priced, for example, a Concessionaire could proposed category prices by the size of the beverage and also distinguish between regular and premium liquor brands used in the drinks.

Comparison pricing must be completed and provided to the Authority for all items proposed for streamlined pricing. All other products to be sold in the unit must be individually identified and priced based on the price of similar or same merchandise at a Comparable Facility as specified in this Policy.

4.2.4 Brand Set Prices

If Concessionaire operates a regionally or nationally branded concept where merchandise prices are set by the brand, Concessionaire must use the prices set by the brand. Concessionaire must provide evidence of the brand pricing scheme to the Authority. During any pricing survey, Concessionaire may only present the prices dictated by the brand. Further, if the brand changes merchandise prices throughout the year, Concessionaire must provide the new prices to the Authority prior to changing prices in the Airport location.

If a brand changes its pricing scheme during the term of the Lease and no longer uses brand-set pricing for all brand and/or franchise stores, the Concessionaire must immediately notify the Authority of the change. Concessionaire must continue to charge the then approved prices for merchandise. At the next scheduled semi-annual price survey, the Concessionaire must price all merchandise in the unit as though it were completing an initial pricing for the unit.

4.2.5 Manufacturer or Pre-Priced Merchandise

The prices for news, books and periodicals that have a publisher's suggested retail price in U.S. dollars printed on the outside of the item do not need to be verified through comparable vendors. In these cases, the publisher's suggested retail price or a lower price is the minimum price that can be charged for the product at the Airport. For instance, if a *News & Observers* newspaper has a printed price of $0.50 on its front page, then the price for the newspaper at the Airport must be listed as $0.50 or less. Concessionaires must list the publisher's suggested retail price in the "RDU Price" column and note across the comparable vendor columns in the submitted tables that "the publisher's suggested retail price will be charged." This same principal also applies to 1) new hardcover and paperback books that have a publisher's suggested retail price listed on the book jacket; and 2) items such as packaged snacks that have pre-printed manufacturer's suggested retail price on the packaging.

4.2.6 No Comparables or Insufficient Number of Comparables

4.2.6.1 General Application

If merchandise, products or services that are offered for sell in an Airport unit are neither sold by a business of the same trade name nor readily available from a Comparable Facility, and do not fall within any other category described in this policy, the final price shall be based on reasonable comparisons approved by the Authority. If only two Comparable Facilities can be

identified for a product or product category, the Authority may require Concessionaire to use the prices of the lower priced facility twice when computing the average of its pricing surveys. If Concessionaire does not submit a Comparable Facility or prices that meet the requirements of this Policy, the Authority shall have the right to select the Comparable Facilities and/or establish the price to be charged for goods/services.

4.2.6.2 Non-Branded Food & Beverage Options

In certain rare instances in the pricing of non-branded food and beverages, Concessionaire may find that it cannot exactly match the product being sold at the Airport with a product being sold in the local market. In such instances, comparable price verification should be handled as described below, using the options in the order in which they are presented.

4.2.6.3 Option 1: Close Match

Concessionaires can modify the pricing for an item in the local market that is a close match for the item to be sold at the Airport, documenting the modifications. For example, if a concessionaire is trying to find comparables for a quarter pound hamburger to be sold at the Airport and can only find comparables that include a quarter pound cheeseburger with fries, the concessionaire can use this comparable and modify the price by deleting the value of the cheese and fries to arrive at a comparable price for just the hamburger. In this instance, if the quarter pound cheeseburger with fries is priced at $5.99, the Concessionaire could determine that the value of the cheese is $0.25 and the value of the fries is $0.75, thus placing the value of the hamburger at $4.99. The comparable price to be used for the Airport hamburger would be $4.99. The comparable vendors, the products being used, and the pricing modifications to their products must be noted in the initial pricing submission.

4.2.6.4 Option 2: No Close Comparable Products

If a Concessionaire cannot find any comparables in the local market that are close matches with the product to be sold at the Airport, then the Concessionaire should try to select similar products that would have approximately the same perceived quality and value to a customer to use as comparables. For instance, if a Concessionaire were trying to find a comparable for a gyro sandwich, but could not find any gyro sandwiches in the local market, then the concessionaire could price the gyro sandwich similar to prices in the local market for a wrap sandwich or other similarly-sized sandwich offering the same quality and value for money to the customer. Similarly, if a Concessionaire were trying to price a roasted chicken panini sandwich, the Concessionaire might determine that a personal chicken pizza or a chicken quesadilla would be of similar quality and value.

4.3 Initial Pricing

Each Concessionaire will be responsible for setting the initial prices to be charged in the concession units operated by the Concessionaire or its subtenants. A list of initial prices for each unit shall be submitted to the Department for approval a minimum of sixty days prior to the scheduled opening date for the unit. If Concessionaire finds that it is unable to compare its merchandise to the merchandise in the approved Comparable Facilities, Concessionaire must propose new or additional Comparable Facilities as specified in Section 4.1 above in sufficient time before the initial price submission date for the Authority to review and approve the new proposed facilities.

Initial price lists shall detail each item to be sold or service fee to be charged in the unit by category, name of item, brand, size, and price. Merchandise proposed for Streamlined Pricing must be identified in the pricing report. All initial prices must be substantiated by listing the prices charged for each product or category of products sold by the Comparable Facilities approved by the Authority. The pricing data must be submitted in the same format as the attached Initial Comparable Facility Spreadsheet. The initial prices for the items to be sold or service fees to be charged at the Airport units must be less than or equal to the average of the prices at the Comparable Facilities plus 10%.

4.4 Semi-Annual Report

Each Concessionaire is responsible for submitting a semi-annual report to the Department. This report must contain a price comparison for each concession unit operated by the Concessionaire or its subtenants. The price comparison for each unit must indicate the price for the items or service fees listed in Semi-Annual Report Guidelines. (See Attachment) The date of the price inspection shall be noted in the report for each unit. The pricing data must be submitted in the same format as the attached Semi-Annual Report Spreadsheet. Semi-Annual Reports are due on the following dates:

Food, Beverage and Snacks	Report Due Date
QSR Units, Beverages/Adult Beverage Items	January 1 & July 1
Casual Dining Units	April 1 & October 1

News, Retail & Specialty Retail	Report Due Date
Apparel, Souvenir/Gifts & Toys, Specialty	January 1 & July 1
Food/Beverage, Health & Beauty, Travel Items, News, Duty Free/Duty Paid	April 1 & October 1

Price checks will be performed within thirty days of the report due date.

It is important to note that price checks are for specific items or fees, in specific sizes and brands (if applicable), not categories of merchandise. Merchandise, products and/or services that may be priced by category under Streamlined Pricing must be individually priced during a Semi-Annual price check. For instance, a price check could be performed for a 12-pack of Tylenol tablets, but not for over-the-counter medicines in general. Price checks do not need to be conducted for news items that have a publisher's suggested retail price in U.S. dollars printed on the outside of the item.

If no Comparable Facility sells an item that must be checked, then the Concessionaire should continue to choose items from its list of top-selling items until the required number of top-selling items can be price checked. A list of all top-selling items excluded from the Concessionaire's list based on the lack of comparable data shall be included in the Semi-Annual Report.

4.5 Price Adjustments

A Concessionaire may submit a price and/or fee adjustment request semiannually to the Department at the same time it submits its Semi-Annual Report. Concessionaires may not substitute items for those for which the Authority has requested price comparisons. All price and/or fee adjustments must be substantiated by the Concessionaire based on increases or decreases in prices at Comparable Facilities. A price increase for any item shall not exceed the

average of the prices for that item at the Comparable Facilities by more than 10%, rounding excluded. A price for an item may be lower than the average of the prices for that item at the Comparable Facilities.

Within 30 days of receipt and review of price adjustment requests, Department staff will verify the prices charged at the Comparable Facilities and respond to the Concessionaire regarding any price increase or decrease requests. Prices to be lowered or raised in retail units must be changed within ten (10) business days of receipt of the Authority's price approvals. Prices to be lowered or raised in food and beverage units must be changed within thirty (30) business days of receipt of the Authority's price approvals.

Department staff will verify that any prices changed match the price approvals. Department staff will notify the Concessionaire of any discrepancies and Concessionaire shall make any necessary corrections within 24 hours of notification by the Authority.

4.6 Periodic Price Reviews

The Authority may conduct Periodic Price Reviews at its discretion at any time, including high-traffic periods, such as holidays, local events, or spring break. These unannounced price spot checks by Authority staff or representatives may be initiated if any of the following situations occur:

1) Authority receives or learns of a complaint regarding pricing;
2) A Semi-Annual Report indicates poor compliance on the part of a Concessionaire with the pricing policy. This situation, in particular, will cause the Authority to initiate a series of weekly price checks until the Authority believes that the Concessionaire is fully complying with the pricing policy;
3) A franchisor or licensor report indicates a problem with pricing in accordance with the brand's pricing policy;
4) Sales per enplanement for any unit fall by more than 20% in any month; and/or
5) Sales per transaction or check averages vary by more than 20% in any month; and/or
6) Any other reason.

The Authority will provide written notification to the Concessionaire if any areas of non-compliance are found during the periodic price reviews. Concessionaire must correct any areas of non-compliance within 48 hours of receipt of notification by the Authority. The Concessionaire must report back to the Authority and to confirm that concession pricing is brought into compliance with the Policy.

5 Compliance and Enforcement

The Authority will monitor Policy compliance in accordance with the monitoring program identified herein. If at any time the Department determines that a Concessionaire is not complying with the Policy, it shall give notice of non-compliance to the respective Concessionaire. The Concessionaire shall have 48 hours from receipt of the notice to adjust prices to bring them into compliance. If Concessionaire disagrees with the Authority's determination, Concessionaire may request reconsideration pursuant to the terms of the Lease.

If not specified in the Lease, sanctions for violation of this Policy shall be in the amount of $500 per occurrence per day for the first violation, and for subsequent violations of this Policy, $1,000 per occurrence per day for any violation of this Policy.

No provision of this Policy is intended to or will be interpreted as waiving any of the Authority's rights or remedies under the Lease. As provided in the Lease, a Concessionaire's non-compliance with this Policy may yield negative consequences including, but not limited to sanctions and terminations. In the event of a conflict between a provision of the Lease and this Policy, the Lease will control.

6 Attachments

- Initial Comparable Facility Approval Form
- Initial Comparable Facility Spreadsheet
- Comparable Facility Change Request Form
- Semi-Annual Report Guidelines
- Semi-Annual Report Spreadsheet

Initial Comparable Facility Approval Form

RALEIGH-DURHAM AIRPORT AUTHORITY
INITIAL COMPARABLE FACILITIES FORM

List below three facilities in the Raleigh-Durham Metropolitan Area (Durham, Orange and Wake Counties) which are comparable to the proposed RDU concession in concept and quality, which Concessionaire would like to be uses as a basis for price comparisons. Describe why you feel each facility is a comparable facility. If Concessionaire has existing similar concepts in the Raleigh-Durham Metropolitan Area, at least one (1) must be specified as a comparable facility unless the facility does not meet the criteria specified in the Concession Pricing Policy

RDU Unit Name: _____

RDU Unit Location(s): _____

Vendor Name	Address	Phone Number
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____

For cases where multiple comparable vendors are used to cover different product lines, use additional sheets.

Describe the relationship of the proposed comparable facilities to Concessionaire.
_____

Describe why you feel each facility is a comparable facility.
_____

Company: _____

_____
Signature of General Manager

_____
Print Name

_____
Date of Submission

Raleigh-Durham Airport Authority

_____
Signature of Approval

_____
Print Name and Title

_____
Date of Approval

Comment:
_____
_____
_____
_____

Initial Comparable Facility Spreadsheet

Raleigh Durham Airport Authority
Initial Pricing

Category: *News & Gift*
Tenant:
Street Pricing Period:

	Item Description	Brand	Size	Initial Price at RDU (DATE)	Comparable Name/Location/Date	Comparable Name/Location/Date	Comparable Name/Location/Date	Average of Comparable	10% Above Average	Price at RDU after comparison (Rounding Optional)
	Top 5 Newspapers/Magazines/Books									
1					$1.49	$1.59	$1.59	$1.56	$1.712	***$1.69***
2								$0.00	$0.000	
3								$0.00	$0.000	
4								$0.00	$0.000	
5								$0.00	$0.000	
	Top 5 Packaged Snacks/Candy									
1								$0.00	$0.000	
2								$0.00	$0.000	
3								$0.00	$0.000	
4								$0.00	$0.000	
5								$0.00	$0.000	
	Top 5 Health/Beauty Aids									
1								$0.00	$0.000	
2								$0.00	$0.000	
3								$0.00	$0.000	
4								$0.00	$0.000	
5								$0.00	$0.000	
	Top 5 Travel Items									
1								$0.00	$0.000	
2								$0.00	$0.000	
3								$0.00	$0.000	
4								$0.00	$0.000	
5								$0.00	$0.000	

Comparable Facility Change Request Form

Raleigh-Durham Airport Authority
Comparable Facility Change Request Form

List below your requested changes to the vendors in the Raleigh-Durham Metropolitan Area (Durham, Orange and Wake Counties) that you would like to use as comparable vendors for your RDU concession for price comparisons. Change requests may pertain to one or more of the comparable vendors that you are currently using. Describe the reason for the requested change and why you consider each new vendor to be a comparable facility. Use a separate form for each concession unit for which a change to the comparable vendors is being requested.

RDU Unit Name: _____
RDU Unit Location: _____

Current Comparable Facilities to Changed: _____
_____
_____

Reason for requested change: _____
_____
_____

New Vendor Name	Address	Reasons Chosen

For cases where multiple comparable vendors are used to cover different product lines, use additional sheets.

Company: _____

_____
Signature of General Manager

_____
Print Name

_____
Date of Submission

Raleigh-Durham Airport Authority

_____
Signature of Approval

_____
Print Name and Title

_____
Date of Approval

Comment: _____
_____
_____
_____
_____
_____

Semi-Annual Report Guidelines

The price comparison for each unit should indicate the price for the items listed below (based on type of unit) for the unit operated at the Airport and for each of the three comparable vendors as listed in the Lease for each unit.

Type of Concession	**Items for Price Comparison**
Newsstand or News and Gift Shop	Top 5 newspapers/magazines/books sold Top 5 gifts/souvenirs/toys sold Top 5 travel/business accessories sold Top 5 packaged snacks/candy sold Top 5 health & beauty aids sold
Duty Free/Duty Paid Shop (both the duty free and duty paid prices for these items should be indicated)	Top 5 liquor products sold Top 5 perfume/cosmetic products sold Top 5 accessories sold Top 10 souvenir/gift/confectionary sold
Specialty	Top 25 products sold
Quick Serve	Top 20 food items sold
Casual Dining	Top 20 food items sold
Beverages/Adult-Beverages	Top 15 alcoholic beverage sold Top 5 non-alcoholic beverage sold Top 5 QSR beverage sold
Financial Services & Foreign Currency	Top 5 products sold ATM Transaction Fee

Semi-Annual Report Spreadsheet

Raleigh Durham Airport Authority
Semi-Annual Street Pricing

Category: *Casual Dining*
Tenant:
Street Pricing Period:

	Item Description			Initial Price at RDU (DATE)	Comparable Name/Location/Date	Comparable Name/Location/Date	Comparable Name/Location/Date	Average of Comparable	10% Above Average	Price at RDU after comparison (Rounding Optional)
	Top 20 Food Items									
1					$1.59	$1.49	$1.59	$1.56	$1.712	***$1.69***
2								$0.00	$0.000	
3								$0.00	$0.000	
4								$0.00	$0.000	
5								$0.00	$0.000	
6								$0.00	$0.000	
7								$0.00	$0.000	
8								$0.00	$0.000	
9								$0.00	$0.000	
10								$0.00	$0.000	
11								$0.00	$0.000	
12								$0.00	$0.000	
13								$0.00	$0.000	
14								$0.00	$0.000	
15								$0.00	$0.000	
16								$0.00	$0.000	
17								$0.00	$0.000	
18								$0.00	$0.000	
19								$0.00	$0.000	
20								$0.00	$0.000	

2.2.5 Maintenance of and Title to Improvements

Except from PDX:

EXHIBIT N

MAINTENANCE MATRIX

Concessionaire shall, at its sole cost and expense, keep all the systems, utilities and improvements for which Concessionaire is responsible as indicated below, in first class repair, operating condition, working order and appearance, and in form and function for which the systems, utilities and improvements were designed. The Port of Portland shall not have any responsibility for maintenance, repair, or replacement of any system, utility, or improvement on the leased Premises unless expressly stated in this Maintenance Matrix. All items not expressly assigned to the Port in this Maintenance Matrix maintenance necessitated by the negligent or intentional act or omission of Concessionaire or the employees, agents, invitees or contractors of Concessionaire, are the exclusive responsibility of Concessionaire in accordance with the requirements set forth herein.

		MAINTAINED BY	
		PORT	CONCESSIONAIRE
1.	**CUSTODIAL SERVICE**		
1.1	Windows – interior of lease space		✓
1.2	Windows – exterior of lease space	✓	
1.3	Carpeting within lease space		✓
1.4	Public restrooms	✓	
1.5	Tenant restroom		✓
1.6	Walls, ceiling, floors (non carpet)		✓
1.7	Trash, recycling, grease (collection)		✓
1.8	Trash (collection in common areas)	✓	
1.9	Airside trash hauling and recycling	✓	
2.	**ELECTRICAL SYSTEMS**		
2.1	Primary electric service, include main conduit, wiring, electric meters, fixtures, power and lighting panels	✓	
2.2	Power from connection point throughout leased space, to include conduit and wiring, sub-panels, power outlets, switches and all interior lamps		✓
2.3	Area lighting to include all exterior lighting and power distribution	✓	
2.4	Blade sign spot light in concession lobby	✓	
2.5	Lighting within storefront window zone		✓

EXHIBIT N
Page 1 of 3

Except from Portland International Airport (cont'd):

		MAINTAINED BY	
		PORT	CONCESSIONAIRE
2.6	Lighting behind lease line within leased space		✓
2.7	Common area lighting in front of lease line to include lobby and public seating areas	✓	
3.	**FIRE SYSTEM**		
3.1	Sprinklers (heads and piping)	✓	
3.2	Alarm and detection system units	✓	
3.3	Modifications to heads and piping	✓	
3.4	Fire extinguishers within leased space	✓	
4.	**HVAC**		
4.1	Heating, ventilation, air conditioning systems and associated controls to include central systems, package units and window units	✓	
4.2	Exhaust system		✓
5.	**SIGNAGE**		
5.1	Regulatory, traffic control	✓	
5.2	Non-regulatory, traffic control	✓	
5.3	Concession's directory	✓	
5.4	Blade signs (general); blade sign frame, face plate and armature	✓	
5.5	Artwork design for blade sign face plate		✓
5.6	Primary signage		✓
5.7	Storefront soffit signage		✓
6.	**STRUCTURE**		
6.1	Exterior: to include roofs, sidings, locks, gutters, drains and walkways	✓	
6.2	Interior of leased space: to include doors, door operation, windows, ceilings, and walls		✓
6.3	Security grilles and gates		✓
6.4	All locks including exterior and interior	✓	

2.2.5 Maintenance of and Title to Improvements

PDX

Except from Portland International Airport (cont'd):

		MAINTAINED BY	
		PORT	CONCESSIONAIRE
6.5	Duplicate new keys		✓
6.6	Management of asbestos	✓	
6.7	Furniture maintenance in common areas	✓	
6.8	Floors in common areas	✓	
6.9	Floors in leased space (including water proofing and sealing of all floor penetrations)		✓
6.10	Storage area modifications		✓
7.	WATER SYSTEMS/GROUND UTILITIES		
7.1	Storm sewers, sanitary sewers, potable water, natural gas meters, and other site utilities	✓	
7.2	Common area utility fixtures (sinks, toilets, fountains, etc.)	✓	
7.3	Plumbing system and supply to periphery of lease space	✓	
7.4	Piping within lease space		✓
7.5	Natural gas lines from source to connection point	✓	
7.6	Gas line from connection point throughout leased space		✓
7.7	Cold water pipe insulation		✓
7.8	Water heater		✓
7.9	Floor penetrations		✓
7.10	Product distribution lines and conduit		✓

2.2.6 Recapture/ Relocation of Premises

MSP

2.2.6 Recapture/Relocation of Premises

Excerpt from MSP Concessions General Terms & Conditions:

Relocation for Airport Purposes

MAC may, at any time, require the temporary or permanent removal and/or relocation of any or all of the Leased Premises by advance written

2.2.6 Recapture/ Relocation of Premises

MSP

notice to Operator should the development or operation of the Airport require the removal and/or relocation.

Should MAC determine that any portion or all of the Leased Premises provided are permanently required for another Airport use, MAC will give written notice to Operator. Operator shall have fifteen (15) days to accept or reject the alternative space. If no notice is given to MAC, Operator will be deemed to have accepted the alternative space.

If Operator accepts the alternative space, Operator shall relocate all fixtures and equipment (at MAC's expense) to the alternative space within thirty (30) days of written notice of acceptance to MAC. MAC shall have no liability for any lost or damaged items. Operator may move, at its expense, any fixtures and equipment.

If Operator rejects the alternative space, Operator shall relinquish the affected portion of the Leased Premises, and remove all improvements and products and restore the Leased Premises to its original condition, at Operator's expense, within thirty (30) days of written notice of rejection to MAC. MAC shall have no obligation to compensate Operator for the unamortized portion of Leasehold Improvements.

If no alternative space is available to Operator, Operator shall relinquish the affected portion of the Leased Premises, and remove all improvements and products and restore the Leased Premises to its original condition, at Operator's expense, within thirty (30) days of written notice by MAC. Operator shall be compensated for the unamortized portion of the Leasehold Improvements provided that all costs are depreciated in accordance with Section XX.D. of this Agreement.

MAC shall have final determination of whether alternate space is available and its location.

Even though such activities may inconvenience and partially impair the Operator, it agrees that no liability shall attach to MAC, its officers, agents, or employees by reason of such inconvenience or impairment. Operator waives any right to claim damages of any kind including indirect and

consequential damages, resulting from such inconvenience or impairment.

2.2.7 Materials Handling

2.2.7 Materials Handling

MSP

Excerpt from MSP Concessions General Terms & Conditions:

E. Dock and Distribution System

MAC will designate the loading dock or docks which Operator and other Concessionaires may use and the time periods available to Concessionaires for deliveries. MAC reserves the right to change the locations or times by providing notice to affected parties. MAC may also designate the time periods when products may be distributed through Public Areas of the Terminals.

MAC reserves the right to manage the loading dock or docks used by Concessionaires and other parties receiving deliveries to the Terminals. MAC may also select a single entity to manage deliveries and to handle product distribution within the Terminals. Operator is required to participate in the program established by MAC to handle loading docks and deliveries within the Terminals.

DFW

Excerpt from DFW Concessions Template:

Section 6.03 Merchandise and Materials Deliveries

It is necessary due to the number of vendors in the Terminal buildings that the Board protect the airside operation area and the landside curb utilization integrity for the flow of airline passengers. Therefore, Concessionaire agrees that the Board, in its sole discretion, may require that all merchandise and materials ordered by Concessionaire for resale or operation of its business on the Premises be delivered only within the times and at the locations authorized by the Department of Revenue Management. In transporting merchandise and materials associated with

operating the concessions to and from the premises, Concessionaire shall use only carts or conveyances that are sealed, leak-proof, and equipped with wheels suitable for operating on carpet or other flooring without damage thereto, as approved by the Department of Revenue Management. Concessionaire shall not use the Airport train system for the purpose of transporting merchandise or products. The Board may require changes in the method or time of the delivery of Concessionaire's merchandise or materials.

2.3 Food & Beverage Concessions

2.3 Food & Beverage Concessions

2.3.1 Food Service Standards

2.3.1 Food Service Standards

MSP

Excerpt from MSP Concessions General Terms & Conditions:

C. Quality of Products and Services
1. First Class
It is an express condition of this Agreement that Operator and Operator's Subtenants maintain first class standards of service within the food and beverage and retail industries. MAC has foremost in mind providing the air traveler and the public with facilities, service, food and beverages and retail Concessions of first class quality, commensurate with the trade accustomed to using facilities of this kind. Operator must ensure that the air travelers and public are served and dispensed first class quality foods with adequate portions. Operator must ensure that the air travelers and public are offered first class retail merchandise comparable to, or better than, that offered for sale in similar retail shops, department stores, or shopping malls in the greater Minneapolis-St. Paul region offering like products. Operator and Subtenants shall ensure that a decor is established and maintained substantially in accordance with MAC design and facility plan, that the Concessions are maintained and operated in a first-class manner and that the Leased Premises are kept in a safe, clean, orderly and inviting condition at all times, satisfactory to MAC. To accomplish these desires, Operator must periodically review or cause to be reviewed, operations of Concessions operated by Operator and Operator's Subtenants at the Airport.

2.3.1 Food Service Standards

MSP

2. Adequate Products and Service

Operator shall ensure that the air traveler and public are furnished adequate services, and that Operator and Operator's Subtenants shall keep in stock and have ready for sale at all times of operation sufficient supply of articles and goods offered for sale, as may be appropriate to the operation, to meet the demand of customers at the Airport. Operator must ensure the product variety is adequate for each Concession.
If MAC identifies any problem areas with respect to operation of Concessions, including without limitation quality and quantity of products or services offered, including the selection of items offered being inadequate in general or in any particular location, Operator shall be notified in writing by MAC and shall correct, or cause to be corrected, such problem or problems within one (1) day, unless a longer period of time is required, but in no event shall the time-period extend beyond thirty (30) days after transmission of written notice by MAC, unless MAC permits a longer period (see Liquidated Damages, Section XXIII of this Agreement). Failure of Operator to so correct problem areas constitutes an event of default hereunder.

2.3.2 Approval of Menu and Pricing

2.3.2 Approval of Menu and Pricing

PHX

Excerpt from PHX Agreement:

1. Lessee's approved menus are attached as Exhibit Z. Lessee may add or delete single menu items within each menu's scope as approved by the Airport for Lessee's concession concepts, but shall notify the Airport promptly, in writing, of each change. Lessee must obtain the Airport's prior written consent before implementing a menu change that, in conjunction with prior menu changes in the same Lease Year, would result in more than twenty percent (20%) of the menu items being affected.

Written notifications and requests for menu changes under this Section must include the following information: (1) a clear description of the menu item(s) to be changed; (2) the current prices and portion size of the affected menu item(s); (3) a clear description of the proposed new menu item(s) and portion sizes; (4) if a price change is involved, the percentage change in price; (5) the rationale for the change, with any supporting documentation; and (6) a local market survey showing the prices and portion sizes of comparable items sold at the same three (3) comparable facilities used to satisfy Section X. Lessee shall submit new menus as menu changes are made and approved by the Airport and the new menus will then become the new Exhibit Z, replacing and superseding the old menus.

2. Lessee shall keep on hand sufficient quantities of all products to allow preparation of all menu items to meet the demands of the

2.3.2 Approval of Menu and Pricing

PHX

customer. Lessee shall make efforts to ensure that only the highest quality of food is sold at the Airport. Those efforts shall include, but are not be limited to:

a. Purchasing products that meet or exceed the minimum food grade specifications established by this Section;
b. Purchasing products only from reputable commercial food vendors;
c. Receiving, transporting, and storing products in a manner that ensures that the quality does not decline; and
d. Securing fresh foods and discarding any products that do not meet the minimum food grade specifications established by this Section and any products that have deteriorated below the acceptable quality for the product. "Fresh foods" are defined as food that was prepared within the previous four (4) hours unless stricter franchise or health department rules apply.

3. Products purchased by Lessee for food and beverage service at the Airport shall meet or exceed all local, state and federal food quality standards.

BNA

Excerpt from BNA Agreement:

Section X.1. Reasonable Pricing. Concessionaire and Concession Operators shall observe and maintain Reasonable Pricing for goods and services sold within the Concession Locations. For purposes of this Agreement, the term "Reasonable Price" shall mean the regular price of the good or service charged at an off-Airport, comparable location, determined as follows:

a) If an entity of the same business, franchise or trade name as a Concession Operator operates in a non-Airport location within a reasonable geographic radius from the Airport, the Reasonable Price for a product shall be the price at the nearest non-Airport location designated by Concessionaire and approved by Authority. Requests for changes to the comparable location or locations for the determination of a Reasonable Price and the reasons for such changes shall be provided to Authority for its approval and shall become effective only upon receipt of Authority's approval;

b) If an entity of the same business, franchise or trade name as a Concession Operator does not operate within a reasonable geographic radius of the Airport, the Reasonable Price for a product shall be the regular price of the product at the nearest entity of the same business,

2.3.2 Approval of Menu and Pricing

BNA

franchise or trade name, as agreed by Authority and Concessionaire;

c) *If a product is not available from an entity of the same business, franchise or trade name as stated in Sections 8.1(a) and (b) hereof, the Reasonable Price for such product shall be determined by reference to a range of the regular prices of three (3) separate businesses for such product, of comparable nature, ambiance and product and service lines, within a fifteen (15) mile geographic radius from the Airport or at the nearest entity of the same business, franchise or trade name, as agreed by Authority and Concessionaire; and*

d) *If a Concession Operator is a franchisee or retail outlet of an entity with a national pricing structure identical for all franchisees or outlets, the Reasonable Price for a product shall be determined in accordance with such pricing structure.*

Where an identical product is not available at an agreed comparable location, any difference in size or quality shall constitute a price differential. Concessionaire is required to submit, prior to the opening of a Concession Location, a complete list of items to be offered by the Concession Operator therein and the prices to be charged for Authority's approval. No Concession Location shall open without such Authority approval. Concessionaire shall submit to Authority, within sixty (60) days after the end of each year of the Interim Phase and each Lease Year, an annual pricing report for each Concession Location that indicates the extent of compliance by the Concession Operator thereof with Reasonable Pricing and the actions taken by Concessionaire and each Concession Operator to remedy any noncompliance.

Section X.2. Pricing Adjustments. Not less than three (3) times per year of the Interim Phase and per Lease Year, Concessionaire shall conduct, or shall cause to be conducted, an audit concerning compliance with the Reasonable Pricing requirement by Concession Operators for current products available and price levels within Concession Locations. The audit shall compare the price levels of current products available at the Airport with the price levels at off-Airport comparable locations as described in Section X.1 hereof. In the event of noncompliance with the Reasonable Pricing requirements herein by a Concession Operator, Concessionaire shall cause such Concession Operator to bring all products into compliance with the Reasonable Pricing requirements based upon the audit results within seven (7) days after such noncompliance is identified.

2.3.3 *Materials* Handling

2.3.3 Materials Handling

MSP

Excerpt from MSP Concessions General Terms & Conditions:

C. Operator Maintenance, Cleaning and Distribution Responsibilities Operator or its Subtenants shall perform the following for all of Operator's Concessions in the Terminals:

1. Operator shall ensure all equipment, walls, floors, counters, and other surfaces are cleaned and sanitized frequently, and that kitchen, serving and employee areas are cleaned daily as outlined in the attached cleaning specifications (Exhibit D). Operator shall keep the Leased Premises free of hazardous conditions, shall keep the Public Areas around the Leased Premises free of hazardous conditions originating from Operator and Operator's Subtenants' operations, and shall notify MAC promptly of other hazardous conditions in the Public Areas outside the Leased Premises. Operator and Operator's Subtenants agree to employ sufficient maintenance and janitorial personnel, and provide necessary equipment, to keep the Leased Premises and all furniture, furnishings, fixtures, and equipment clean, neat, safe, sanitary, and in good working order and condition at all times. Operator shall keep the Leased Premises and surrounding areas free of debris, trash, soiled dishes, soiled flatware, soiled linen, or soiled cleaning supplies originating from Operator and Operator's Subtenants' operations or customers;

2. Trash. Operator shall provide complete and proper arrangements for the adequate sanitary handling and prompt, reasonable disposal of all garbage caused as a result of the operation of business by Operator and Operator's Subtenants on the Leased Premises. Operator is responsible for ensuring all trash is collected and delivered to a location determined by MAC. Operator shall use suitable means of transporting garbage when necessary, suitable for operating on flooring without damage. Operator shall provide and use suitable covered receptacles for all garbage, trash and other refuse on or in connection with the Leased Premises. Operator shall keep all garbage in durable, fly-rodent-and-odor proof, fireproof containers that are easily contained. The containers shall have tight-fitting lids, doors or covers and shall be kept covered when material is not being deposited in them. Operator shall not permit the piling of boxes, cartons, barrels, or other similar items, in an unsightly or unsafe manner, on or about the Leased Premises, on MAC space, or within view of Public Areas. Operator shall clean the containers as necessary to prevent odors;

3. Cardboard. Operator shall provide complete and proper arrangements for the adequate sanitary handling and prompt, reasonable disposal of all cardboard resulting from the operation of business by Operator and Operator's Subtenants on the Leased Premises. Operator is responsible for ensuring all cardboard is collected and delivered to a location determined by MAC. Operator shall use suitable means of

transporting cardboard when necessary, suitable for operating on flooring without damage;

4. Recycling and waste reduction. Operator and Operator's Subtenants must comply with any and all recycling requirements established by MAC. Operator shall take all reasonable measures to reduce the amount of waste generated by Operator and Operator's Subtenants by requiring suppliers to remove non-essential wrap, containers, and other packaging, and to encourage suppliers to use recyclable materials for essential packaging;

2.3.3 Materials Handling

MSP

5. Grease. Operator shall purchase and utilize MAC designated containers for grease collection. Operator is responsible for ensuring all grease is collected and delivered to a location determined by MAC. Operator shall use suitable means of transporting grease when necessary, suitable for operating on flooring without damage;

6. Seating areas. Operator, in conjunction with other Concessionaires, shall monitor common seating areas associated with the Leased Premises, as defined by MAC, to ensure they are kept clean and orderly, that tables and chairs are clean and properly aligned, and that dishes, trays, and trash are not allowed to accumulate. Each Concessionaire sharing such space, including Operator, shall be jointly and severally liable for performance under this Section. Operator shall ensure that cleaning supplies and other materials that may be hazardous are not stored in food storage, preparation, or service areas;

7. Establish a preventative maintenance monthly checklist for each location (including retail) and provide reports detailing the performance of these checklists to MAC as part of the reports required by Section XI.C.;

8. Track, monitor, and make recommendations to MAC regarding storage, cooler, and food prep requirements so as to maintain compliance with MAC standards and applicable health standards;

9. Lighting maintenance;

10. Window shade cleaning and maintenance; and

11. Food courts. Operators having a food and beverage location, or a Subtenant's food and beverage location, utilizing a food court shall clean and bus the food court area. In addition, Operators shall collect and wash all trays used in the food court. Operators shall be responsible for keeping common food court areas clean, neat and stocked, where applicable, during operation hours. Each Operator shall be jointly and severally responsible for these duties.

12. Sanitary Sewer Lines. Operators having a food and beverage location, or a Subtenant's food and beverage location, shall be responsible for keeping the sanitary sewer line clean and free of obstruction up to where it ties into MAC's main line that serves the general public and or multiple tenants.

Operator shall comply with all requirements under this Section or Operator will incur liquidated damages as referenced in Section XXIII of this Agreement.

2.3.4 Food Safety Responsibilities

2.3.4 Food Safety Responsibilities

PHX

Excerpt from PHX Agreement:

Lessee shall provide to the Director a copy of all County/State Environmental Services health inspection reports within twenty-four (24) hours after Lessee receives the report. This report should be delivered to the Airport in accordance with Section A.B. If a health inspection does not result in a written report, Lessee shall prepare and submit to the Director a written summary of the nature of the inspection and of the inspector's findings, as they were communicated to Lessee (Notice).

2.3.5 Pest Control

2.3.5 Pest Control SFO

Excerpt from SFO Lease Agreement for Bookstore

9.3 Tenant's Pest Management Obligations. Tenant shall, at all times during the Term of the Lease and at Tenant's sole cost and expense, keep the Premises and every part thereof in clean and sanitary conditions, including having a pest control program in place in accordance to the Airport's standards. Tenant shall hire a licensed pest control company or may contract with the Airport to provide these services. Tenant and the pest control company must adhere to the following set of standards in accordance to the City and County of San Francisco (CCSF) Environment Code, Chapter 3, including but not limited to the following:

(a) Using pesticides on the CCSF allowed list only when application is made on City property i.e. SFO.

(b) Any pesticide exemption must be granted by the San Francisco Department of Environment before using non-approved pesticides.

(c) All posting requirements regarding pesticide application must be adhered to prior to use.

(d) Pesticide use reports shall be made to Airport IPM (Integrated Pest Management) staff by the 10th of the month following application.

(e) Tenant must provide Airport the name of the pest control company providing service within thirty (30) days from the effective date of the service contract.

2.3.5 Pest Control SFO

2.3.6 Maintenance of Kitchen Equipment

2.3.6 Maintenance of Kitchen Equipment

Lessee is responsible for the regular and routine jetting of the lines, and routine cleaning of the drains associated with the Assigned Premises. Lessee shall provide the Airport with a cleaning schedule for the routine inspection and cleaning of the Assigned Premises' drains and the jetting of the lines for the Airport's review and approval. The Airport reserves the right to request the increase of the frequency of inspections and cleanings based on Lessee's Gross Sales and the condition in which the areas are kept.

Maintenance of Plumbing - Lessee shall be responsible for the repair and maintenance of all plumbing within the Assigned Premises, if such plumbing exists. Lessee is responsible for all material that is deposited in the plumbing system from their Assigned Premises and for cleaning the grease traps within their Assigned Premises. Repair and maintenance of all piping within the Assigned Premises is the responsibility of Lessee. Lessee is responsible for the repair and maintenance of all sewer lines from the Assigned Premises to the point that the line connects to an Airport main sewer line. Lessee is responsible for the repair and maintenance of all domestic water lines, hot and cold, from the point of connection of the Airport's water meter throughout the Assigned Premises. If Lessee fails to maintain the plumbing system or places liquid, grease, debris, etc. that results in stoppage or damage to Airport's maintained plumbing, Lessee will be billed for the cost thereof, plus fifteen (15%) percent for administrative overhead, to be paid by Lessee to Airport on demand.

2.3.7 Cash and Credit Handling

2.3.7 Cash and Credit Handling

MSP

Excerpt from MSP Concessions General Terms and Conditions

2.3.7 Cash and Credit Handling

MSP

2.3.8 Disputes with Other Tenants

2.4 Specialty Retail/News & Gifts

2.4.1 Definition of Product Categories

2.4.2 Carts and Kiosks

2.5 Passenger Services

2.6 Parking

2.6.1 Management Responsibilities

BWI

H. Credit/Charge Cards and Traveler's Checks

At all times during the Term of this Agreement and any holdover period, Operator and Operator's Subtenants shall accept as payment for goods and services nationally recognized credit or charge cards, including without limitation American Express, MasterCard, and VISA, as well as internationally recognized Traveler's Checks. Such cards shall be accepted for all purchases greater than five dollars ($5.00).

2.3.8 Disputes with Other Tenants

2.4 Specialty Retail/News & Gifts

2.4.1 Definition of Product Categories

2.4.2 Carts and Kiosks

2.5 Passenger Services

2.6 Parking

2.6.1 Management Responsibilities

Excerpt from BWI Agreement:

ARTICLE IX
GENERAL PERFORMANCE REQUIREMENTS

A. Contractor shall operate and manage the public automobile parking facilities in all respects in a manner that will provide the highest quality of service and convenience to patrons of the Airport.

B. At a minimum, Contractor shall:

2.6.1 Management Responsibilities

BWI

1. Conduct business and have attendants on duty in such locations and numbers, as the Administration shall specify, twenty-four (24) hours per day, each day of the year.

2. Select and appoint a full-time on-site Manager, who shall be in complete charge of Contractor's parking operations, and whose sole and full-time duties shall be as Manager of Contractor's parking operations. Such person shall be a highly qualified and experienced manager, with at least two (2) years of experience as the overall manager of a 24-hour a day, seven days a week parking facility(ies) operation(s), and with on-line revenue control system experience, vested with full power and authority in respect to Contractor's operation hereunder, including the authority to take all necessary actions where a prompt response is required to maintain or restore parking service, prior to and without obtaining Contractor headquarters' approval of such actions.

The Manager shall be available during regular business hours, and at times the Manager is absent, an equally authorized Assistant Manager, or lead supervisor shall be in charge and available. Management personnel shall wear proper business attire. Prior to Contract commencement, Contractor shall be required to provide to Administration the daily schedule for the Manager, Assistant Manager, and all other supervisory personnel, and shall notify the Administration of any changes to that schedule.

Prior to commencement of the Contract, the Contractor shall submit to the Administration, for approval prior to their assignment, complete resumes of the persons who Contractor proposes to designate as the Manager and Assistant Manager together with the principal assistants and other key personnel.

In the event that Contractor plans to replace the Manager and/or Assistant Manager for any reason, or if the Manager and/or Assistant Manager tenders his/her resignation, Contractor shall notify the Administration immediately by telephone at (410) 859-7033 and, in writing within forty-eight (48) hours of its plan to replace the Manager and/or Assistant Manager and the reason(s) for replacing such manager(s), or of such tendering of resignation(s). The Contractor shall also submit to the Administration for written approval prior to his/her assignment, a complete resume of the person whom Contractor proposes as the replacement. The Administration reserves the right to disapprove Contractor's designee for the position of Manager and/or Assistant Manager and shall advise Contractor within ten (10) working days of submittal of the designee's resume to the Administration.

In the event that the Administration determines that the incumbent Manager or Assistant Manager has failed to properly manage the public

2.6.1 Management Responsibilities

BWI

automobile parking operation in a professional, competent manner at all times or to fully perform the duties and obligations as Contractor's representative hereunder, then in addition to all other rights under the Contract, the Administration shall have the right to require Contractor to replace such Manager or Assistant Manager. The Administration shall notify Contractor in writing of its demand for replacement of the Manager or Assistant Manager and the reasons therefore, and shall allow Contractor thirty (30) days from the date of such notice to effect the replacement.

3. Provide that all customer comments regarding public parking facilities, including the BWI Rail Station Garage, and Contractor's responses thereto, be submitted to the Administration weekly.

4. Provide and ensure personnel having public contact wear uniforms and legible nametags. Uniform color and design are subject to the approval of the Administration. Such personnel having public contact shall be well qualified, courteous, neat in appearance, and in uniform at all times. Contractor shall, by training and close supervision of all personnel, assure that service to the public is prompt, efficient, and ofthe highest quality. In this regard, Contractor shall devise and implement an orientation program for all new personnel to include customer service training, and training in company policies and job procedures. Contractor shall assure that Contractor's personnel who have direct contact with the public, and all of Contractor's managers and supervisors, have at least eight (8) hours of customer service training within two (2) weeks of commencement of duties and at least once a year thereafter. The Administration reserves the right to send a representative(s) to observe such training. Contractor's personnel shall at all times conduct themselves in an orderly manner. Contractor's personnel shall at no time demand or otherwise solicit tips from customers for services rendered. Upon objection from the Administration concerning the improper conduct, demeanor, or appearance of any such employee, Contractor shall immediately take all steps necessary to correct the situation. In addition to the mandatory customer service training, the Administration reserves the right to add an additional two hours of annual Administration-provided customer service training of a type similar to that which will be offered to personnel of other contractors at the Airport, to explain the Administration's philosophy, policies, and programs for customer service.

5. Conduct the public automobile parking operation in accordance with the highest standards and practices of the trade, and shall at all times employ a number of personnel sufficient, as determined solely by the Administration, to provide prompt and efficient service to the public.

If there is an excessive delay in line (defined as a delay often (10) minutes or more) for payment at an exit booth as determined by the Administration, Administration reserves the right to require Contractor to

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(a) let public parking facilities patrons exit the lots immediately and without charge, or (b) provide patrons with up to one (1) hour of free parking. Contractor will be required to collect the tickets of such parking patrons and report the actual full value of such tickets in its monthly reporting to the Administration. Contractor shall be provided with a list of Administration personnel who are authorized to order "no charge" exiting of patrons.

In such event, and if full exit booth staffing was not provided, Contractor shall be required to pay a penalty to the Administration in the amount of the Administration's percentage share of gross annual revenues, as specified by Contractor's Schedule I, for each vehicle allowed to exit without a charge or at a reduced charge. The value of each "no-charge" or "reduced charge" exiting will be calculated based on the full value of the tickets collected from patrons allowed to exit at no charge or at a reduced charge. The Administration reserves the right to forego this penalty if, in the Administration's sole opinion, the delay was caused by events beyond the control of the Contractor.

The minimum number of personnel and open exit lanes required at the commencement of the Contract during each day to meet standards of performance acceptable to the Administration are set forth in Exhibit "E." The Administration shall have the right to direct the Contractor, in writing, to make changes to the number of on-duty personnel and staffed exit booths if needed, in Administration's sole determination, to provide the highest quality of service and convenience to patrons of the Airport. Contractor's activities shall be subject to unannounced audit procedures. For each day or fraction thereof for which Contractor fails to have the sufficient number of personnel on duty or exit lanes open as required by the Administration under the most recent revision to the staffing schedule, the Administration shall assess Contractor a penalty in the amount of Seven Hundred Fifty Dollars ($750.00) to be paid when the next payment of the balance of the monthly Operating Fee is due.

If, in the Administration's sole judgment, Contractor's operations create delay or congestion or interfere with traffic circulation in any way, the Administration reserves the right to require the Contractor to provide additional operating personnel or so modify its operating schedule or procedures as to eliminate the cause of such interference or delay. Contractor's failure to comply with the Administration's requests in this regard may be deemed to be a default of the Contract, and the Administration shall be entitled to invoke any and all remedies available to it under Article XXX, Default and Rights and Remedies Upon Default, of this Contract.

6. Develop and implement a written preventive maintenance schedule and procedure to ensure the reliable and continuous performance of all revenue control equipment, including parking lot entrance and exit control

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equipment. The schedule and procedures must be submitted to the Administration for written approval prior to Contract commencement and whenever any modifications to the schedule and procedures are made. The Administration reserves the right to be present during such maintenance procedures. Contractor shall maintain a log of all such procedures including date, time, identity of equipment, and name of staff or contractor who performed the procedure. Contractor shall train and have qualified personnel available at the Airport to accomplish the aforementioned preventive maintenance procedures. Cashiers shall not be permitted to perform repair or maintenance to any of the revenue control equipment, including cash registers, ticket dispensers, etc. unless otherwise approved in writing by the Administration.

7. Furnish automobile parking tickets in a form, size, color, content, and quality satisfactory to the Administration and the manufacturer of the revenue control equipment in use at the public parking facilities. Contractor shall be required to arrange with the Administration's Office of Finance and Administration (Audit Section) for the delivery of tickets to the Contractor's storage vault from the ticket manufacturer so that an inventory can be taken for use in periodic audits by the Administration. Contractor shall be responsible for custody of the tickets, after an Administration representative has recorded the information needed. Contractor shall arrange to maintain an adequate supply of tickets on hand to meet operational needs at all times. In the event the Contractor fails to coordinate the ticket delivery with Administration, there will be a charge of Five Thousand Dollars ($5,000.00) to be paid by the Contractor for each instance, with the filing of the monthly activity report.

Parking tickets shall be color-coded for each separate public parking facility and each facility will be controlled by a separate set of consecutively numbered tickets.

Each ticket shall be stamped and electronically encoded with the dates and times of the customer's entrance into and exit from the parking facility, a transaction number, and the amount charged. Each ticket shall be retained with all other tickets collected from the same facility during the same shift.

Contractor shall record the total number of tickets issued and collected for each shift, at each booth and spitter on each facility, and maintain these records for inspection and use by the Administration at its request. Contractor shall submit to the Administration by the tenth (10th) day of each month a report of the total number of tickets issued and collected on each of the public parking facilities for the preceding month. During the Contract term, the revenue control equipment, the required tickets, and report forms may be subject to change at the Administration's determination.

2.6.1 Management Responsibilities

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8. At Contractor's sole cost and expense, design, publish, and make available to Airport patrons, in quantities specified by the Administration, a brochure which clearly depicts and explains the location, purpose, and fee structure for the respective Airport public parking facilities. Brochure design and content shall be subject to the Administration's prior written approval and shall be consistent with the quality and appearance of other brochures concerning Airport services.

Contractor shall submit a proposed parking brochure to the Administration for its prior written approval within sixty (60) days after the commencement of the Contract. The Administration reserves the right to specify and require changes in the parking brochure from time to time.

The Administration shall have the right to require Contractor's cashiers to dispense the parking brochure and other Airport-related and public service-related literature from the cashier booths to customers.

9. At Contractor's sole cost and expense, design, print, and make available to public parking facilities patrons on an on-going basis, a card for the recording of customer's comments relating to service provided. Card design and content shall be subject to the Administration's prior written approval. Design of the card shall include a procedure for delivery of card to Contractor and Administration after card has been completed (filled-in) by customer. The card shall be made available to customers at cashier booths and on Airport shuttle buses. The Contractor shall bear the cost of postage for these mail-in cards.

10. Reply promptly and courteously, in writing, to each customer complaint. In any event, the Contractor shall, within three (3) business days of the date the complaint is first received, make an appropriate response to the customer, which, if further action on the complaint is required, may consist of an acknowledgement of the complaint and a statement of further action to be taken by Contractor. Contractor shall forward to the Administration a copy of each complaint, and the written response at the same time such response is mailed or delivered to the customer.

11. Provide and operate, at a minimum, the following equipment in good operating and visual condition:

a. two (2) vehicles for the exclusive use of Contractor's supervisors to monitor activity on the public automobile parking facilities and at the cashier booths, and
b. one (1) vehicle dedicated for the use of Contractor's maintenance personnel to clean and maintain the public parking facilities and revenue and inventory control equipment, and

2.6.1 Management Responsibilities

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c. one (1) vehicle that is suitable for transportation of Contractor personnel between parking management offices and public parking facilities, and

d. one (1) four wheel drive vehicle for security patrols of all public parking facilities, and

e. one (1) vehicle to provide emergency service to customers of the public automobile parking facilities.

The emergency assistance vehicle shall be available and equipped at all times to provide jumper cable service starts for batteries, change flat tires, inflate tires, assist in opening doors of cars with keys locked inside, where possible, and provide up to two gallons of gasoline to get the customer to a nearby gasoline service station. The emergency assistance vehicle shall be equipped with a mobile two-way radio or car telephone in order to maintain appropriate communication. This service shall be provided at no charge to parking lot customers on a 24-hour per day, seven (7) days per week basis.

All of the above-required vehicles shall be no more than five (5) model years old during the term of the Contract unless otherwise approved by the Administration. All vehicles must have emergency yellow flashing (dome-type) lights. All vehicles must be marked with Contractor's company name and local phone number. All vehicles must be equipped with fire extinguishers, first aid kits, flares, cones, and an operational "traffic directional" flashlight.

All of the aforementioned vehicles shall have a neat and clean appearance and shall be of a color and decorative scheme, which is subject to the prior written approval of the Administration. Any vehicles not meeting the foregoing standards shall be removed from service at the instruction of the Administration. In addition to the aforementioned vehicles, if Contractor is providing its own snow removal services, a minimum of one snow removal vehicle shall be kept at both the Hourly and Daily Garages to meet the conditions set forth in Article XXI of this Contract. The vehicle shall have a maximum weight of 6.5 tons or 13,000 pounds. There shall not be any mechanized snow removal activities on lower levels of the garages. As set forth in Article XXI, the Contractor may contract with a private service for the provision of this service/equipment.

12. Take an inventory on a daily basis of all automobiles on the public parking facilities with the exception of the MTA Rail Station Garage. The inventory shall be taken every day of the Contract term between the hours of 12 midnight and 6:00 A.M. and shall record the license number of each parked automobile, the public parking facility, and location within the facility on which each automobile is parked. The information thus obtained shall at all times be readily available to the cashiers at each exit

2.6.1 Management Responsibilities

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booth for use in determining fees for patrons that report lost tickets when exiting, and shall also be retained at the Airport parking management office for inspection by the Administration at its request. At any time after the first ninety (90) days of the Contract term, if as a result of any such inspection by the Administration, Contractor's overnight license plate inventory is found to be in error by more than five percent (5%), the Administration shall impose a Five Hundred Dollar ($500.00) penalty on Contractor per occurrence. In addition to any other Contract remedies, Contractor shall be required to report any vehicles that have remained on the public parking facilities for a period of forty (40) days or longer to the Administration's Division of Transportation and Terminal Services.

The Administration reserves the right to modify or eliminate these requirements in the event a license plate recognition system is installed.

13. Submit to Administration each morning before 9:00 am a report showing an overnight car count by facility. Details of this report must be approved in writing by the Administration.

14. Develop a daily summary of parking lot usage, e.g., number of times (and times of day) each parking lot was filled to capacity, number of tickets collected, and other information as may be required by the Administration. The summary of parking lot usage report shall be in a format approved by Administration, which shall be submitted to the Administration by the tenth (10th) day of each month for the previous month, or otherwise upon request. The Administration shall reserve the right to require the Contractor to add to, delete from, or modify report forms at any time during the Contract term.

15. Assure that revenue is safeguarded through proper use, maintenance, and supervision of equipment and personnel. In this respect, the Administration shall periodically conduct an inspection of the revenue control equipment and procedures in use on the parking lots. The purpose of these inspections shall include but not be limited to verifying: (1) all entrance and exit gates are properly operating and cabinets are locked, (2) ticket dispensers are properly functioning and cabinets are locked, (3) fee indicators are properly functioning, (4) lock boxes for validated tickets are locked, (5) fee computers and validators are properly functioning, (6) cashier booths are locked, (7) proper security procedures appear to be in place, (8) cashiers have not accumulated excessive amounts of money (periodic collections, or "skims" must be made), (9) all system clocks are correct, and (10) pay machine cabinets are locked and contain adequate change. In the event that lapses in control are discovered, the Administration may fine the Contractor Five Hundred Dollars ($500.00) per deficiency/per inspection in addition to any other Contract remedies.

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16. Provide and pay for a toll-free "800" service for purposes of providing public parking information as specified by the Administration. The brochures addressed in Article IX.B.8. above shall include the MAA customer service "800" number which is 1-800-435-9294 ("1FLY BWI"), and the Contractor's 800- public parking information number 1-800-468-6294 ("Go To BWI"). Contractor shall print the MAA's 800-customer service number, Contractor's 800- public parking information number, and Administration's BWI website address, www.bwiairport.com. for comments/complaints on the bottom of all receipts.

17. Establish administrative control procedures that provide for a daily reconciliation of all transactions including tickets issued and tickets collected, lost tickets, exception tickets, exit tickets, vehicle inventories, voided tickets, and revenue collection and deposit. This reconciliation data shall be held available and presented on demand to support Contractor's monthly statements of gross revenues and, additionally, held available for audit in accordance with Article XVII of this Contract. The Contractor shall not destroy or dispose of any records without prior written approval from the Administration. All such administrative control procedures are subject to the prior written approval of the Administration. At termination of the Contract, if the Contractor does not succeed itself, Contractor shall place in off-Airport storage, accumulated tickets, records and reports until notified by the Administration that the material can be disposed of, or when a final audit has been performed, whichever comes first. Cost for storage shall be the responsibility of the Contractor.

18. Submit, for the Administration's review and approval, any proposed changes to the complete and detailed narrative description of the Contractor's proposed method of managing and operating this concession, submitted in accordance with Article VIII.B.ll of Part "A" of the IFB, before any such changes are made.

19. Provide two (2) security personnel at all times at Contractor's sole expense. One person shall be required to rove the public parking facilities in an appropriately marked and lighted 4-wheel drive vehicle as referenced in this Article IX, B.11.d of this Contract and provide a daily report of incidents and unusual events. A second person shall be required to monitor all Closed Circuit Television Cameras (CCTV) at the public parking facilities. These two personnel may switch jobs during shifts or on a rotating basis. The Contractor may assign additional tasks to the person monitoring CCTV units such as monitoring parking revenue control equipment alerts or changing radio messages and variable message signs, but in no case shall these other tasks require more time than or compromise the monitoring of the CCTV units.

20. Submit a semi-annual report that will address Contractor's suggested ideas on operations, rates, customer service and facilities improvements. This report will become the basis for a conference

2.6.1 Management Responsibilities

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between the Contractor and the Administration and will help Administration to implement ideas that will ultimately lead to better service for the traveling public. The report shall be due by the 15thof July and 15thof January of each Contract Year. The semi-annual report shall contain the following:

a. Customer service issues and resolutions over the past 6 months
b. Innovative ideas for new customer service initiatives
c. Pricing recommendations, including "back-up" analysis, to include:
1) a study of the duration of car stays in each public parking facility;
2) where necessary, or preferable, rate options for the Administration to examine;
3) an estimate of the impact on revenues of the proposed rates;
4) a listing of parking rates at other Airports or locations used in analysis, including the parking rates for the Airport's off-airport competitors.

d. Staffing schedule recommendations
e. Facilities condition reports and improvements and repairs recommendations
f. Plans for Contractor actions over the next six (6) months
g. Any other recommendations for further enhancing service.

21. At Contractor's sole cost and expense, implement an incentive program for Contractor's customer-service personnel based on the results of a mystery-parker program, the general outline of which Contractor submitted as part of its Bid. The general outline of Contractor's plan is subject to final approval by the Administration within sixty (60) days of Contract commencement.

22. Establish and implement personnel policies that will provide that personnel of the incumbent parking operator (Maryland Parking Limited Partnership) as of the date of Contract Award, shall be given first preference in hiring as personnel of the Contractor, subject to reasonable hiring standards. Contractor's personnel policies shall also provide for fair and non-discriminatory selection of all personnel.

2.6.2 Revenue Control Procedures

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2.6.2 Revenue Control Procedures

Excerpt from CMH Agreement:

Section 5.02 Revenue Collection and Deposit of Gross Receipts

A. Handling of Funds. All funds and receipts, including cashier overages, derived from the operation of the Facilities shall belong to the Authority and, while such funds are in the Contractor's custody and control, shall be held by the Contractor in trust for the Authority until properly deposited with the armored car service.

B. Collection of Gross Receipts. The Contractor shall collect and deposit into a separate safe all Gross Receipts collected from the Facilities including all cash, accounts receivable collections and credit card transactions. Gross Receipts as used herein shall mean, for the purposes thereof, the aggregate amount of all sales made and services performed for cash, or otherwise, of every kind, name and nature together with any cash register overages, less all refunds, discounts, and allowances made to Authority customers (the Contractor must receive prior written approval from the Authority for said refunds, discounts and allowances), but not cashier shortages, all exchanges of goods, wares, merchandise, equipment, vehicles and service for like property or service at the selling price thereon as if the same had been sold for cash or the fair reasonable value thereof, whichever is greater. Cashier shortages should be collected by the Contractor from the employee. This should be clearly stated in the Policies and Procedures Manual. A penalty for failure to deposit said Gross Receipts by 2:00 p.m. of the business day (defined as a day beginning at 3:01 a.m. and ending at 3:00 a.m. the next day) following collection (ie. day ends at 3:00 a.m. is required to be deposited by 2:00 p.m. that same day) shall be assessed equaling ten percent (10%) of the total amount of the day's Gross Receipts. On weekends and holidays when the armored car service does not pickup, Contractor shall keep the deposit in a secured safe until the next available armored car pickup but not later than the next business day or may deposit the funds directly in the bank's night deposit box. Failure to deposit Gross Receipts within the required time period in excess of two (2) occurrences in any one month shall be cause for immediate termination of this Agreement. Gross Receipts shall also include all interest income earned in the prior month.

1. New or Revised Collection and Deposit Procedures. The Contractor shall immediately implement any new collection and deposit procedures, or revise existing procedures as the Authority may, at its sole discretion, require from time to time.

2. Lost, Stolen, Unaccounted For Gross Receipts. Should any Gross Receipts in the possession of the Contractor be lost, stolen or

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unaccounted for, including but not limited to cashier shortages, they shall be replaced by the Contractor using its own funds within twenty four (24) hours of discovery of such loss, theft or failure to account and the amount will not be a reimbursable expense. The Contractor shall verbally notify the Director of Parking and the Airport Police immediately of any lost, stolen, or unaccounted for Gross Receipts, followed by a written notice within twenty four (24) hours. If the lost, stolen or unaccounted for Gross Receipts are identified on a weekend or any holiday period, the amounts will be deposited into the Authority account on the next available banking day.

3. Inclusion in the Manual. All revenue collection procedures shall be included in the Operations and Procedures Manual.

4. Checks, Debit Cards and Credit Cards. The Authority shall accommodate patrons wishing to pay parking fees by cash, traveler checks or nationally-recognized credit cards as directed by the Authority. Checks are not accepted and customers are encouraged to provide the above payment methods.

C. Revenue Control Procedures. The Contractor shall use the revenue control procedures developed by the Authority for the Facilities, including, where necessary, procedures to control ingress to and egress from the Facilities.

1. Parking Fee Collection Procedures. The Contractor shall implement Authority procedures for collection of proper parking fees in accordance with the rate schedule established by the Authority from time to time.

2. Deposit Slips. On the first business day following each deposit of Gross Receipts, or as otherwise approved by the Authority, the Contractor shall present one (1) part of the deposit slip(s) to the Authority along with a summary report of the prior-day revenue (cash, credit card, etc.) by lot generated for each public parking area.

D. Overcharges and Undercharges. If the Contractor charges any Airport customer a price in excess of the established schedule of rates, the amount by which the actual charge exceeds the established rate shall constitute an overcharge which shall, if possible, be promptly refunded to the patron or otherwise handled in accordance with the instructions of the Authority. The amount of any such refund issued by the Contractor shall constitute a reimbursable expense under Section 5.01 provided that suitable substantiating evidence of such refund is made available to the Authority and provided that the amount of said overcharge has previously been deposited by the Contractor in the bank account designated by the Authority. If the Contractor charges any customer a price which is less than the established schedule of rates or fails to collect any parking fee or

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ground transportation fee which the Contractor is required to collect, or if any fees which the Contractor is required to collect on behalf of Authority are lost, stolen or unaccounted for while the same are in the custody or control of the Contractor, for any reason whatsoever, the amount by which the actual charge is less than the established rate schedule, the amount of the fee which the Contractor failed to collect or the amount which is lost, stolen or unaccounted for shall, without demand by the Authority, be paid by the Contractor into the Authority's designated bank account, within two (2) business days after the Contractor learns (or in the exercise of reasonable diligence, should have learned) of such undercharge plus a one time penalty of twenty five percent (25%) of the undercharge and any interest due. Due to the failure to collect such loss, theft or failure to account, the cost of replacing such funds shall not be reimbursable as an Operating Expense. Undercharged fees shall be calculated based on the number of days that the customer stayed in the Facilities at the daily rate then in effect regardless of capacity in the Facilities. The Contractor shall promptly investigate any such undercharge, failure to collect, or loss, theft or failure to account for any funds hereunder, and promptly provide to Authority a written report of the results of such investigation within twenty four (24) hours.

Section 5.07 Parking Rates

The Contractor shall permit the Airport shuttle buses, Airport service vehicles, Authority owned and operated buses/vehicles, and certain other vehicles as approved by the Authority's Director of Parking to park in the public parking lots at no charge. The Contractor shall charge all other patrons the parking rates as set from time to time by the Authority. The Contractor shall be responsible for changing all rate signs and notices of rates as a reimbursable expense to the Authority. The rate schedule shall be included in the Operations and Procedures Manual.

A. The rate structure for all parking fees to be charged in the designated parking Facilities shall be established by the Authority and shall be subject to change by the Authority at its sole discretion.

B. The Contractor shall charge parking patrons only those rates established by the Authority and shall permit only such complimentary use of parking space as the Authority may direct or approve. All tickets issued and redeemed related to all the afore referenced complimentary (free, discounted, validated and permit) parking shall be reported and strictly accounted for by Contractor in the manner prescribed by Authority. Neither Contractor, Contractor employees, nor its Human Resource Manager shall have the authority to authorize, agreement for or otherwise allow free, discounted or permit parking within the Facilities except as authorized by the Authority. The Authority has established a validation program whereby each complimentary ticket includes a validation sticker.

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Cashiers are required to verify that the validation complies with the Authority's validation policy. The Contractor may also validate police, fire and towing vehicles responding to emergencies in the facilities without prior notice to the Authority, assuming appropriate documentation is obtained. Outside of these guidelines, which may be up dated from time to time, no validation, free, or discounting of parking shall be made by the Contractor. Contractor agrees to follow this policy, control the handling of such parking transactions and incorporate the same into Contractor's approved Operations and Procedures Manual.

C. If the Contractor charges any patron a price more than the established schedule of rates, the amount by which the actual charge exceeds the established rate shall constitute an overcharge which shall be promptly refunded to the patron. If the Contractor charges any patron a price which is less than the established schedule of rates or fails to collect any parking fee which it is required to collect for any reason at all, the amount by which the actual charge is less than the established rate schedule or the amount of the fee which the Contractor failed to collect shall constitute an undercharge and amount equivalent thereto shall be paid, without demand by the Authority within two (2) business days, by the Contractor to the Authority including interest from the date the rate should have been charged and a one time penalty of twenty five percent (25%) of the undercharged fee.

D. Parking Fee Adjustments and Refunds. A patron shall pay the full day's fee for each day parked as reflected in the inventory if a ticket is lost, based upon the rate structure of the area where the patron's vehicle was parked. Such notice shall be posted at the entrance and exit of each parking area. If, however, after departing the parking facility, the patron finds and produces the "lost" ticket, along with proof of payment, the patron shall receive a refund for the excess amount paid, if any. The Contractor shall exercise reasonable discretion, with prior Authority notice, in giving refunds or making "on-site" fee adjustments when situations such as those listed below occur:

1. Delay in exiting as a result of parking lot equipment malfunctions;

2. Delay in exiting as a result of inclement weather of such severity that a patron cannot be expected to retrieve an automobile without outside assistance;

3. Delay in exiting as a result of a patron's automobile being inoperable because of a dead battery, etc., particularly when the patron has called for "road service" and the Contractor is aware of this fact;

4. Delay in retrieving an automobile due to a patron's physical incapacitation as a result of emergency or injury on or off the Airport;

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5. Delay in retrieving an automobile as a result of major problems with the shuttle bus service;

6. Delay in returning to the Airport, particularly by uniformed service personnel, as a result of a change in official orders or other unusual circumstances;

7. Delay in retrieving an automobile found to have been stolen and where a police report has been filed by the owner. The owner shall be responsible for the parking fee when the vehicle owner was a rental car company that actively services the Airport (unless it is removed by 10:00a the same day it is parked) or the new owner is an insurance or similar company looking to reclaim their losses from the stolen vehicle. All other stolen vehicles will be released to the Authority's Public Safety Section after prior authorization from the Authority's Parking Section when requested at no charge to the owner.

2.6.3 Additional Services

OAK

2.6.3 Additional Services

Excerpt from OAK Agreement:

VALET PARKING SERVICE REQUIREMENTS
The Operator agrees to provide Valet Parking Services at service locations directed from time to time by the Director or the Designee. Such services shall be provided during the hours as specified below seven days a week, including holidays, unless and until other hours of services are established from time to time by the Director or the Designee. Port reserves the right from time to time to order changes in the service locations and in the Valet Parking Services to be performed by Operator. All such changes shall be incorporated in written change orders executed by the Director or the Designee which shall specify the changes ordered and the adjustment of compensation if any. Any Valet Parking Services added to the scope of this Agreement by a change order shall be executed under all applicable conditions of this Agreement. Any overtime shall be paid for pursuant to the provisions of the Agreement. Except as otherwise provided in this Agreement, no other claim for additional compensation will be recognized for the Valet Parking Services to be provided by Operator under this Agreement. Valet Parking Services may not be interrupted at any time. The specified staffing required to provide Valet Parking Services, as described herein, must be provided at all times as specified.

VALET PARKING SERVICES

All Valet Parking Services shall be operated according to procedures and operating plans designated from time to time by the Director or the

2.6.3 Additional Services

OAK

Designee. The Operator shall, at a minimum, perform the following functions related to these Services without limitation:

1. Provide Valet Parking Services in accordance with a schedule approved by the Director or the Designee;

2. Provide trained, professional and courteous valet parking attendants, cashiers, key attendants and supervisors to greet Airport customers and park and return their vehicles in a safe manner at parking spaces designated from time to time by the Director or the Designee;

3. Collect valet parking fees and charges as established by the Port without exception, except as directed by the Director or the Designee; and

4. Render such other related services as may be requested by the Director or the Designee.

INITIAL SERVICE LOCATIONS:

Except to the extent changed or modified by the Port, the Operator shall operate the Valet Parking Services on the Airport, at the following locations: Public Parking Lots 5 and 6, as described on Attachment 1.

MINIMUM PERSONNEL:

The Operator shall provide the following number of valet parking attendants, cashiers, keyroom attendants and supervisors at each location as follows:

Hours	# of Drivers	# of Cashiers	# of Keyroom Attendants	# of Ramp Attendants	# of Supervisors
0500-1330	4	1	1	1	1
1330-2130	6	1	1	1	1
2130-0500	0	1	1	1	0

Operator's staff shall be situated at each location full time, with "runners" assigned to transfer vehicles between these locations.

Failure to provide appropriate personnel to meet the minimum staffing schedule may result in the assessment of an Administrative Fee, as set forth in Exhibit F. Operator shall adjust staffing levels to reflect demand by shift, day of week, and seasonality.

ADDITIONAL SERVICES:

Operator may be required to perform a variety of additional duties including but not limited to the following, as may be authorized in writing from time to time by the Director or the Designee, and at costs approved

2.6.3 Additional Services

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in advance in writing by the Director or the Designee, including but not limited to:

1. Customer counts;

2. Customer surveys;

3. Purchase and/or rental and maintenance of beepers and/or radios for shift supervisors over and above the requirements described herein;

4. Purchase and/or rental of additional equipment or materials necessary for the Operator's staff to supervise the Valet Parking Services;

5. The loan or use of supervisory personnel from Operator's corporate headquarters for Valet Parking Services related projects over and above those described herein; and

6. The loan or use of clerical or secretarial personnel from Operator's corporate headquarters for Valet Parking Services related projects over and above those described herein.

Except as otherwise provided in the Agreement, Operator shall be reimbursed in an amount that is equal to actual costs incurred by Operator for any such additional service as approved in writing by the Director or the Desigee. Operator may include any such approved costs (after the expense has actually been incurred and paid for by Operator) in the regular monthly invoice.

ADMINISTRATIVE FEES:

Administrative Fees may be charged to the Operator for any violations of the provisions of this Agreement, as enumerated in Exhibit F. The use of any customer vehicle for any unauthorized activity and/or personal use by Valet Parking staff is strictly prohibited.
ACTIVITY REPORTS

Operator shall submit to the Director daily, monthly and annual reports for the Valet Parking Services on report forms, which shall be provided by Operator or Port, at Port's election. These report forms may be modified at any time by the Director or the Designee. Such Valet Parking Services reports shall include, at a minimum:

1. employee daily shift reports;

2. daily shift reconciliation;

3. weekly work schedule and monthly employee rosters, including all new hires and terminations;

4. daily reports of Valet Parking Revenues and automobile count, as specified in Exhibit E;

2.6.3 Additional Services

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5. weekly activity and gross receipt summaries, as specified in Exhibit E;

6. monthly activity and Valet Parking Revenues summaries and certifications which shall be reconciled to daily and weekly reports, as specified in Exhibit E;

7. monthly Valet Parking Revenue Reports, as specified in Exhibit E;

8. monthly employee payroll reports;

9. monthly reimbursable operational expenses summaries; and

10. such other statistical reports concerning management and operation of the Valet Parking Services as the Director or the Designee may reasonably request from time to time.

Any and all daily reports shall be submitted by noon of the next business day. Weekly reports shall be submitted by the Wednesday of the following week. Preliminary monthly reports shall be submitted by the 5th calendar day of each month and final monthly reports shall be submitted by the 10th calendar day of each month. If the 5th or 10th calendar day of any month falls on a weekend or legal holiday, the report will be due on the next business day. Annual reports shall be submitted within thirty calendar days of the end of each calendar year. Operator shall supply Port with such other financial or statistical reports as the Director or the Designee may request from time to time during the Operating Term of this Agreement. Failure to provide reports within the time required may result in the assessment of an Administrative Fee as specified in Exhibit F. Submission schedules may be adjusted at the sole discretion of the Port.

MAINTENANCE OF REVENUE CONTROL EQUIPMENT

Operator shall immediately report to the Port if Operator knows or reasonably should know that any of the revenue control equipment, including cash registers, used for the Valet Parking Services is in need of service, repair or replacement. Operator's Supervisory staff may only replenish ticket stock in the Ticket Issuing Machines (TIMs), and clear or reset TIMs when needed, to the extent provided and allowed under the maintenance agreement with the revenue control system contractor, and Operator hereby acknowledges receipt of a copy of such maintenance agreement. Operator's staff is not otherwise authorized to conduct diagnostic evaluation or to attempt mechanical or electrical repair of revenue control system components.

2.7 Rental Cars

2.7 Rental Cars

2.7.1 Locations of Operations

2.7.1 Locations of Operations

2.7.2 Definition of Gross Revenue

***Definition abstracted from IAH car rental agreement*:**

Gross Revenue means all revenue paid or payable and all compensation received by Operator in without limitation, the following:

a) all sums received as time and/or mileage charges after discount, for the rental of Automobiles;

b) all sums received from Operator's customers by reason of their acceptance of personal accident insurance; in connection with its Automobile Rental Business provided for herein;

c) all sums received for any other insurance or Airport fees (except as set forth below), including any renewal policy issued to any customer;

d) all sums received in connection with Automobile rentals for mobile phones, child restraint devices, and other amenities;

e) sums received for drop-off charges, valet charges or any other charges identified on a customer's Automobile rental agreement (except as set forth below);

f) all sums received for services rendered in connection with Operator's Automobile Rental Business;

g) the fair market value of any goods, services or other items of value, received by Operator in exchange for the rental value of an Automobile, except where an Automobile is provided to a customer on a short term promotional basis, e.g. certain number of prior rentals entitles the customer to a rental without charge;

h) any fees charged to Operator's customers that represent a pass-through of any or all of the concession fees required to be paid by Operator to the City herein ("Concession Recovery Fee");

i) all sums received for additional driver charges.

Gross Revenue shall not include the following:

a) the amount of any federal, state or municipal sales or other similar taxes whether or not separately stated or collected directly from customers of Operator now or hereinafter levied or imposed;

2.7.2 Definition of Gross Revenue

IAH

b) any sums received as an insurance payment or otherwise for damage to Automobiles or other property of Operator or for loss, conversion or abandonment of such Automobiles;

c) amounts paid by customers of Operator for waiver by Operator of its right to recover from customers for damage to the Automobile rented; however, if such amounts are not separately billed as an additional charge, such amounts cannot exceed the amounts that would have been charged as a separately billed additional charge;

d) any charges collected from customers as reimbursement for refueling an Automobile rented pursuant to a rental agreement under which the customer is obligated to return the Automobile with the same amount of gasoline furnished at time of rental;

e) any sums received by reason of Operator's disposal of capital assets and/or trade fixtures;

f) CFC's collected and remitted from customers.

g) Local Revenue (generated at off-airport locations)

2.7.3 Definition and Calculation of MAG

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2.7.3 Definition and Calculation of MAG

***Excerpt from IAH car rental agreement*:**

4.12 COMPENSATION TO THE CITY

4.12.1 Operator agrees that in exchange for the rights granted by the City in this Agreement, it will pay the City throughout the Term of this Agreement, monthly concession fees equal to the greater of:
.1) one-twelfth (1/12) of the Minimum Annual Guarantee; or
.2) the applicable percentage per portion of Gross Revenues

4.12.2 The MAG for the first year of the Term of this Agreement shall be calculated by multiplying 85% by the total amount of concession fees due from Operator to the City under its Automobile Rental Concession Agreement that is the immediate predecessor to this Agreement. In no event however, shall the MAG, during the first year of the Term, be less than $100,000.00, except as provided in Section 4.12.8 herein.
4.12.3 The MAG for the second year of the Term of this Agreement and each succeeding year of the Term of this Agreement shall be calculated by multiplying 85% by the total amount of concession fees due from Operator to the City in the immediately preceding twelve month period. For example, the MAG for year seven of the Term shall be based on 85% of the concession fees that were due to the City during year six of the

Term. In no event, however, shall the MAG during the Term, be less than $100,000.00 per year, except as provided in Section 4.12.8 herein.

2.7.4 Definition of Transaction Days

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2.7.4 Definition of Transaction Days

***Excerpt from IAH car rental agreement*:**

A transaction day (for example, a vehicle rental for up to a 25 hour period or fraction thereof shall be for one transaction day and a vehicle rental for 25 through 49 hours shall be for two transaction days)

2.7.5 Credit Card Acceptance

IAH

2.7.5 Credit Card Acceptance

***Excerpt from IAH car rental agreement*:**

Operator shall accept for payment of goods and services at least three major credit cards

2.7.6 Dual Branding Privileges

MWAA

2.7.6 Dual Branding Privileges

Excerpt from MWAA Agreement:

The Contractor may operate the concession by representing one or more brands under this Contract, provided the conditions of Section 3.01 herein are met. Should the Contractor delete a brand during the Contract Period the Contractor must provide advance notice to the Authority, the deleted brand may not operate as an Authority off-airport rental car concessionaire for the remainder of the Contract Period, and the Contractor's Minimum Annual Guarantee shall not be reduced.

2.7.7 DBE Requirements

MWAA

2.7.7 DBE Requirements

Excerpts from MWAA Agreement:

The Authority has established a goal of 10% ACDBE participation for this Contract. ACDBE participation may be achieved through

2.7.7 DBE Requirements

MWAA

the purchase of goods and services necessary to conduct the rental car business at the Airport from ACDBEs, as further described in the U.S. Department of Transportation's revised regulations governing ACDBE participation, 49 CFR Part 23. These goods and services may include the purchase or lease of new vehicles from ACDBE firms. All ACDBE firms used to meet this contract's ACDBE goal must be certified as ACDBEs by the Authority.

(A) On or before October 20th of each year during the Operating Period hereof, beginning October 20, 2006, the Contractor will furnish the Authority with a report certified by an officer of the Contractor's corporation, showing the total value of the goods and services that the Contractor has purchased from certified ACDBEs for its Airport operations during the twelve-month period from October 1 of the previous year, through September 30 of the current year. The annual certified report shall be titled "ACDBE Participation Report" and will clearly identify the Airport for which the report is prepared, the specific period of the report (i.e. October 1, 2005 to September 30, 2006) and shall include the name and contact information of the company representative who prepared the report. Additionally, the certified ACDBE Participation Report shall include at minimum the following information for each ACDBE for which goods or services were reported during the reporting period:

(1) Full name of each ACDBE

(2) Contact person for each ACDBE

(3) Contact person's telephone number

(4) Contact person's email address

(5) Full mailing address for each ACDBE

(6) Type of goods or services purchased or leased from each ACDBE and dates of purchases/lease (vehicle leases or purchases from ACDBE firms should be listed separately from other purchases from ACDBE firms)

(7) Total dollar amount of goods or services purchased or leased from each ACDBE

(8) Proof of ACDBE certification for each ACDBE

(9) Specific examples of the good faith efforts contractor employed to solicit the services of ACDBE goods and services vendors (i.e. advertisements, solicitations, outreach events, individual and/or group meetings, etc.) other than ACDBE vendors or lessors of vehicles.

2.7.7 DBE Requirements

MWAA

(B) The Contractor shall make good faith efforts to obtain ACDBE participation from ACDBE providers of good and services other than ACDBEs engaged in the sale or lease of vehicles. To verify its good faith efforts, the Contractor, in addition to the annual ACDBE Participation Report, will provide in the ACDBE Participation Report a statement showing the efforts it made to obtain goods and services from ACDBEs other than ACDBEs selling or leasing vehicles.

(C) If the Contractor fails to meet the 10% ACDBE participation goal for the twelve-month period covered by the ACDBE Participation Report, the Contractor shall provide, along with the Report, detailed documentation, in a form acceptable to the Authority, of its good faiths efforts to meet the goal. Such "good faith efforts" must meet the standards set forth in 49 CFR Part 26.

(DThe Contractor shall allow the Authority access to all Contractor's records relating to its compliance with the ACDBE provisions of this Contract, including but not limited to, canceled checks and accounting records, for the purpose of ascertaining that ACDBE firms have provided the goods and services reported, and that the Contractor is meeting the ACDBE participation provisions of this Contract.

(E) Failure to demonstrate that the Contractor has made good faith efforts to meet the ACDBE participation goal may result in termination of this Contract.

(F) Rental Car companies will receive credit for ACDBE participation by firms that are certified as ACDBEs by the Authority prior to submission of the annual ACDBE Participation Report. All ACDBE applications and supporting documents for certification must be submitted to:

[Provide Contact and Address]

The application should clearly identify the "Airport Rental Car Concession" as the opportunity for which the DBE certification is being sought. The Contractor shall ensure that DBE applications are submitted in a timely manner (at least 6 weeks before the deadline for submission of the annual ACDBE Participation Report. The applicant ACDBE shall include a statement of the goods or services that it plans to provide. Once certified by the Authority, the ACDBE goods and services suppliers will be required to submit a annual "No Change Affidavit" as required under 49 CFR Part 26.

The Authority's Office of Equal Opportunity Programs will assist Contractor in identifying current Authority certified ACDBE firms

and other DBE firms upon request. Any questions about ACDBE certification should be directed to Richard Gordon, Equal Opportunity Programs office at (703) 417-8360.

2.7.7 DBE Requirements

MWAA

(G) To qualify as an ACDBE, the firm must meet the definition set forth below and the applicable small business size standard, defined in terms of the firm's average annual gross receipts for the preceding three (3) fiscal years. The applicable size standard for ACDBE rental car concessionaires is $40 million, which means the ACDBEs average annual gross receipts for the last three years (including gross receipts of all affiliates) cannot exceed $40 million. However, the applicable small business size standard for ACDBE firms providing goods and services to rental car concessionaires is $30 million. The receipts of affiliate companies are included in determining size. In general, business concerns are affiliates of each other when either directly or indirectly (1) one concern controls or has the power to control the other, or (2) a third party (or parties) has the power to control both. Consideration is given to such factors as common ownership, common management, contractual relationships and overlapping authority.

An ACDBE, as defined by 49 CFR Part 23, is a business concern that meets the applicable small business size standard, which is: a) at least 51% owned and controlled by one or more socially and economically disadvantaged individuals, or in the case of any publicly owned business, at least 51% of the stock is owned by one or more socially and economically disadvantaged individuals; and (b) whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it "Socially and economically disadvantaged individuals" include:

(1) Women;

(2) Black Americans, which includes a person having origins any of the Black racial groups of Africa;

(3) Hispanic Americans, which includes persons of Mexican, Puerto Rican, Cuban, Central, or South American, or other Spanish or Portuguese culture or origin, regardless of race;

(4) Native Americans, which includes persons who are American Indians, Eskimos, Aleuts, and Native Hawaiians;

(5) Asian-Pacific Americans, which includes persons whose origins are from Burma, Thailand, Malaysia, Indonesia, Singapore, Brunei, Japan, China, Taiwan, Korea, Vietnam, Laos, Cambodia (Kampuchea), the Philippines, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), Republic of the Marshall Islands, Federated States of Micronesia, or the

Commonwealth of the Northern Mariana Islands, Macao, Hong Kong, Fiji, Tonga, Kiribati, Tuvalu, or Nauru; and

(6) Asian-Indian Americans, which includes persons whose origins, are from India, Pakistan, Bangladesh, Sri Lanka, Bhutan, the Maldives Islands, or Nepal.

2.7.7 DBE Requirements

MWAA

The Authority generally will assume that business owners who fall into one of these groups are socially and economically disadvantaged. Their disadvantaged status will not be investigated, unless a third-party challenge is made or the Authority has reason to suspect that the owner(s) may not be disadvantaged.

Other individuals may be found to be socially and economically disadvantaged on a case-by-case basis. For example, a disabled Vietnam veteran, an Appalachian white male or another person may claim to be disadvantaged. If such individual requests that his or her firm be certified as ACDBE, the Authority, as part of the certification process, will determine whether the individual is socially and economically disadvantaged under the criteria of 49 CFR Part 23 and 26. These owners must demonstrate that their disadvantaged status arose from individual circumstances, rather than by virtue of membership in a group.

(H) If, during the term of this Contract, the U.S. Department of Transportation alters the regulations governing ACDBE participation in rental car contracts, the Authority will negotiate with Contractor and the other on-airport rental car concessionaires concerning changes necessary to conform the Contract to the amended ACDBE regulation.

2.7.8 Valet, pick-up, drop-off restrictions

2.7.8 Valet, pick-up, drop-off restrictions

IAH

***Excerpt from IAH car rental agreement*:**

TERMINAL AREA CUSTOMER PICK UP/DROP OFF STANDARDS

Each Operator agrees that any service that it provides to its customers at the Airport which consists of meeting the customer at the terminal and delivering the vehicle to the valet parking facility ("Car Rental Valet Service") shall be conducted in accordance with the terms of this Exhibit J to the Master Lease. The Car Rental Valet Service is designed to be an intermittent service exclusively provided to only a small number of high profile customers and not offered or advertised to customers in general.

Such terms contained herein shall be subject to modification or recission by the Director.

THE RIGHTS OF THE OPERATOR TO PROVIDE CAR RENTAL VALET SERVICES HEREUNDER MAY NOT BE TRANSFERRED OR ASSIGNED.

2.7.8 Valet, pick-up, drop-off restrictions

IAH

The Airport System shall require the following:

LIMITATION: 1.75% of each Operator's total monthly rental transactions at the Airport. (A rental transaction is one person, including additional drivers, renting and returning one vehicle.)

FEES:

(a) TWELVE DOLLARS AND 50/100 ($12.50) for each Car Rental Valet Service up to and including ten (10) Car Rental Valet Services per day. The fee for any Car Rental Valet Service in excess of ten (10) per day shall be TWENTY-FIVE DOLLARS ($25).

(b) Such fees shall be billed and collected through the valet company or the parking operator offering the Car Rental Valet Service or as otherwise directed by the Director. Such fees should be paid no later than the 15th day of the following month.

PERMITTING:

(a) The Airport shall only allow individuals employed by Operators who possess the applicable permit to conduct such Car Rental Valet Services at the designed locations.

(b) Permits shall be granted after the submission of the following information:

(1) Company name and address.

(2) Number of employees engaged in providing Rental Car Valet Services.

(3) Number of anticipated daily and monthly Rental Car Valet Services

(4) Other information which may be required in the future to ensure compliance with the terms of the Agreement and this Exhibit J.

(c) All permits, regardless of the date of issuance, will expire and shall be subject to annual renewal at the beginning of each Contract Year.

SIGNAGE: All placards bearing the names of customers shall be no larger than 8½"x 11" and may not bear the name, logo, service mark, trademark or other distinguishable markings of the Operator.

2.7.8 Valet, pick-up, drop-off restrictions

IAH

UNIFORMS: All employees engaged in Car Rental Valet Services shall wear a khaki vest provided by the valet service operator bearing the caption "Consolidated Rental Car Facility". Such vest will be worn over the employees uniform.

MONTHLY REPORTING: All Operators engaged in Car Rental Valet Services must provide reports, by the fifth business day of each month, that identifies the number of Car Rental Valet Services for the previous month on a daily and average daily basis. The Operator shall also report the number of monthly rental transactions at the Airport.

AUDIT: The Airport System shall have the duty and the right to conduct semi-annual audits of each Operators Car Rental Valet Services.

PENALTIES: Any violation of the provisions of this Exhibit J shall subject the individual Operator to the following penalties:

(a) A fine of up to $500 per incident unless it is a violation of the maximum number of Car Rental Valet Service transactions per month.

(b) The Fine for exceeding the maximum number of Car Rental Valet Services per month shall be $500 per transaction over the 1.75% limit.

2.7.9 Vehicle Sales

2.7.9 Vehicle Sales

2.7.10 Pass-through of Concession Fees

IAH

2.7.10 Pass-through of Concession Fees

***Excerpt from IAH car rental agreement*:**

any fees charged to Operator's customers that represent a pass-through of any or all of the concession fees required to be paid by Operator to the City herein ("Concession Recovery Fee");

Operator shall not misrepresent to the public its prices or the terms and provisions of its rental agreement or those of Other Operators at the Airport. If the Director determines, after notice and opportunity for Operator to comment, that any of the Operator's business practices are inconsistent with the foregoing prohibition, the Operator shall immediately cease such practices upon receipt of a written order to do so from the

2.7.10 Pass-through of Concession Fees

IAH

Director. Each written rental agreement shall include an itemization of all Gross Revenue received or receivable by Operator in connection with its Automobile Rental Business, including without limitation:
1. all charges in connection with the rental of the Automobile supplied at the Airport;
2. all charges in connection with any Automobile exchanged for an Automobile originally rented at the Airport;

3. all charges for services or amenities supplied in connection with the rental or exchange of such Automobile;
4. Concession Recovery Fees (if charged to the customer); and
5. Customer Facility Charge.
4.8.2 In the alternative, Operator may document each transaction in a manner approved in writing and in advance by the Director.

2.7.11 Space Leases

2.7.11 Space Leases

2.7.12 Consolidated Facilities

2.7.12 Consolidated Facilities

2.7.13 CFC Calculation and Customer Presentation

BNA

2.7.13 CFC Calculation and Customer Presentation

Excerpt from BNA Rental Car Agreement:

The Airport does not require, but will not prohibit, a separate statement of the Concession Recovery Fee on customer agreements and receipts provided that:

a) the pass-through must be titled "Concession Recovery Fee"
b) must be shown on the rental agreement and receipts with other charges
c) cannot exceed ___% [usually 10%]
d) the Operator will neither identify or treat the Concession Recovery Fee as a tax
e) a statement as to whether the Concession Recovery Fee will be included in the definition of Gross Revenue

2.7.14 Shuttle Bus Operations

2.7.14 Shuttle Bus Operations

2.7.15 Employee Parking

2.7.16 Performance Security

***Excerpt from Houston CONRAC Agreement**:*

Operator, without expense to the City, shall cause to be made, executed and delivered to the City within ten (10) days of DBO:

A) A performance bond in an amount equal to three months' of the first year Minimum Annual Guarantee described in Section __ conditioned on the faithful performance of all terms, conditions, obligations and covenants of this Agreement. That performance bond shall be substantially in the form attached as Exhibit "_", and executed by Operator and a corporate surety company authorized to do business in [name of State] having an "underwriting limitation" of at least the amount of the penal sum of the bond. The performance bond may be adjusted by Operator on the anniversary date of each year of the Term of this Agreement to an amount equal to three (3) months' of the MAG; as calculated under Section ___; however, in no event shall it ever be less than $25,000.00. The performance bond shall remain in full force and effect for the complete Term; or

B) An irrevocable letter of credit, substantially in the form attached as Exhibit "_", payable upon presentation to a solvent bank in the principal amount of equal to three months' of the first year MAG set forth in Section __ which shall be kept in full force and effect for the complete Term. The Letter of Credit may be adjusted by Operator on the anniversary date of each year of the Term of this Agreement to an amount equal to three (3) months' of the MAG; as calculated under Section __; however, in no event shall it ever be less than $25,000.00.

C) Operator shall annually provide evidence to the Director that its performance security remains valid and enforceable throughout the Term of this Agreement.

If Operator is found to be in default by the City, the City shall have the right to enforce the performance bond or draft on the letter of credit and apply the proceeds thereof to cover payments owed to the City by Operator and to pay such direct costs (including attorney's fees) as may be incurred by the City as a result of

Operator's breach of this Agreement, but such action shall not preclude City from pursuing other legal or equitable remedies.

2.7.17 Underground Storage Tanks

***Excerpt from Houston CONRAC Agreement**:*

J. The following provisions shall apply to each Operator with underground storage tanks:

(1) Operator hereby accepts ownership and title to all underground storage tanks it installs on the Project Site throughout the term described in Section 3.01 herein. Operator shall install, operate and maintain its USTs in accordance with all applicable Federal, State and local regulations, as may be amended. Operator shall commence to remove all such USTs in compliance with all applicable Federal, State and local regulations within thirty (30) days following the expiration or early termination of the term and shall complete such removal within ninety (90) days from commencement. If during removal a release to the environment is confirmed pursuant to State regulations, each Operator shall submit the necessary documentation required by the TNRCC within ninety (90) days of confirmation. All activities necessary for such remediation shall be commenced within thirty (30) days after receipt of approval from the TNRCC for that activity, and shall be completed according to the schedule approved by the TNRCC. Operator shall not seek a risk based closure for any UST installed on the Project Site without providing the Director with prior written notice. Operator shall provide to the Director copies of all correspondence to or from the TNRCC regarding closure of any UST installed on the Project Site.

(2) Upon completion of the work described above, City, at its sole cost, may provide for an inspection by an independent expert. The purpose of the inspection shall be to ensure that the USTs have been removed and the Project Site remediated in compliance with all applicable Federal, State or local regulations. If the inspection reveals that applicable Federal, State or local regulations require additional removal or remediation work, Operator agrees to commence such additional work within ten (10) days of issuance of the inspection report and shall complete such additional work based on a schedule provided by the Director with the concurrence of Operator.

(3) Operator shall use its best efforts to ensure that the removal and remediation contract(s) require that the removal and remediation contractor(s) provide payment and performance bonds in an amount equal to the value of the removal and remediation contract(s), with Operator and the City as co obligees on such bonds. Operator shall use its best efforts to ensure that the removal and remediation contract(s) provide that the

removal and remediation contractor(s) release and hold the City harmless from liability arising out of the removal and remediation of the Project Site. Operator shall use its best efforts to require the removal and remediation contractor(s) to carry insurance in accordance with the requirements of this Agreement. The City shall be an additional insured on each of the policies and the Director shall receive at least thirty (30) days= notice of cancellation of any of the contractor(s)= insurance policies.

2.7.18 Environmental Conservation

2.7.18 Environmental Considerations

MWAA

Excerpts from MWAA Contract:

(a) Installation. [Number of tanks] [Number of gallons]-gallon gasoline tanks have been installed at the QTA facility, two tanks at each module. The tanks are currently registered with the Commonwealth of Virginia indicating the Authority as the owner of the tanks and each respective rental car contractor as the operator of the tanks. The Authority shall modify the registration forms, as necessary, to indicate the proper operator of the tanks in each module. No other USTs or aboveground storage tanks shall be installed on the Premises except with the explicit written approval of the Authority and subject to any conditions the Authority sets.

(b) Removal. The Authority shall remove any USTs associated with rental car facilities, existing or to be built whenever the Authority reasonably deems such removals to be necessary or advisable. The expense of such removal shall be recouped by the Authority through the Customer Contract Fee established in Section ___ herein. The Authority shall coordinate with the Contractor to minimize disruption.

(c) Operation and Maintenance. The Contractor shall be responsible for the proper care and maintenance of the USTs, piping and dispensers assigned to it under this Contract during the Operating Period of this Contract as described herein and will comply with government regulations for inspection and reporting as may be required now or in the future.

(d) Leak Detection and Vapor Recovery. The Contractor shall be responsible for regularly monitoring and inspecting the USTs assigned to it and for performing leak detection tests thereon in accordance with state and federal law. Upon written request of the Authority, the Contractor shall provide copies of documentation of maintenance and annual checks of the Veeder-Root Tank Monitoring System, tank leak detection, line leak detectors and tightness testing, fuel high level alarms, and vapor recovery systems. The Authority shall be notified immediately of any leaks, releases, or failure of monitoring systems discovered at any time

by the Contractor. The Contractor shall be responsible for repairs of any monitoring system.

2.7.18 Environmental Considerations

MWAA